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NEWS SUMMARY

GENERAL

Poland's bread price rise delayed

The Polish Government said the price of common bread would quadruple from Monday then postponed the increase for a week in the face of protests by Solidarity, which predicted unrest if it were not consulted.

Workers at Katowice's huge steel mill demanded dismissal of the plant's director after Solidarity's news bulletin there was closed down. Page 2

Spain Nato move

Spain yesterday took the first formal step towards seeking Nato membership. She asked her State Council for a ruling on how the Cortes should proceed with the application constitutionally.

'Senegambia'

Representatives of the two West African states are to meet soon to determine the exact nature of a confederation, proposed by The Gambia and supported by Senegal.

Canal condemned

Israel's $600m (£323m) plan to build a canal from the Mediterranean to the Dead Sea, to generate electricity, was condemned by 63 states as the UN conference in Nairobi on new and renewable energy sources ended.

Fighters leave

Three F-15 fighter aircraft fly from McDonnell Douglas's St Louis plant today on the first stage of delivery to Israel after the ending of the U.S. embargo.

Kuwait blaze

Kuwait said its crude-oil exports will be unaffected by a continuing fire at Shuaibah refinery. Page 2

Peace think-tank

Opening the 4th annual Armand Hammer peace and human rights conference, at Aix-en-Provence, the Occidental Petroleum chairman told delegates from 32 states he hoped it would become the think-tank in this field.

Michelle charge

A youth aged 16 will appear at Clerkenwell court today charged with murdering Michelle Shields, six, whose body was found near her Kentish Town, North London home.

Southend threat

Extra police are on duty in Southend, Essex. The authorities fear Right-wing British Movement supporters banned from marching in Peterborough today will flock there instead and clash with an Anti-Nazi League demonstration.

Cabbie sought

Police are seeking the driver of a minicab who drove off from Finsbury Park, London, after a Nigerian local businessman left a package containing £241,590 on the back seat. The cab has been found.

Stabbings appeal

Police investigating last week-end's stabbing of two ... dur... scheme, ... will clearly be smaller ... The ... schemes are incr... life con... Mr Bar... ent, Save ... director of ... Reve... the Amber V... of the ... uncil in Derbyshire ... of ... Institution of ... illed ... Health Officers' ... plica ... vironmental ... near Berks.

Briefly

Palestine Liberation Organisation was given full diplomatic status by Malaysia.

A marathon from Bolton tomorrow has drawn nearly 9,000 runners from 64 states.

China's army is to reintroduce ranks, abolished in 1965.

BUSINESS

Dollar weaker; sterling up 1.6c

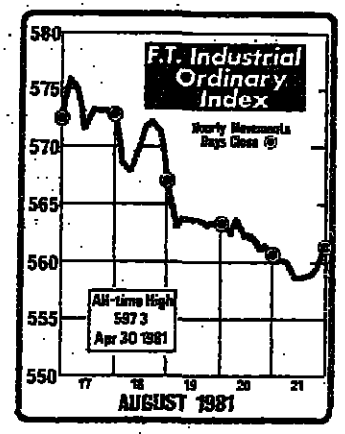
● DOLLAR was depressed by lower Eurodollar rates. It weakened in quiet trading to DM 2.4468 (DM 2.4710), FFr 5.8725 (FFr 5.9250) and Y227.15 (Y228.75). Its trade weighted index fell to 111.0 (111.6). Page 19

● STERLING gained 1.6 cents at $1.8760 but otherwise eased to FFr 11.01 (FFr 11.02) and SwFr 3.9950 (SwFr 4.0050). Its trade weighted index fell to 92.3 (92.4). Page 19

● GOLD rose $1 in London to $431. In New York the Comex August close was $433. Page 19

● GILTS showed gains of ¼ at the short end, with the short tap supplied, but the Government Securities index eased 0.01 to 65.00. Page 20.

● EQUITIES lacked inspiration but rallied on news of the rail settlement. The FT 30 share index firmed 0.8 to 561.5. Page 20



● WALL STREET was 7.99 off at 920.38 near the close. Page 16

● RETAIL PRICES Index rise slowed to 10.9 per cent in the 12 months to mid-July (11.3 per cent to mid-June) but a further big drop in the next few months is unlikely. Back Page

● WEST GERMAN growth is likely to dwindle in the second half of this year, its Economics Ministry warned. Back Page; European economic forecasts, Page 2

● BRITISH PRINTING Corporation's non-executive chairman, Lord Kearton, is to retire. Back Page

● DE LOREAN met the Government target of 2,000 jobs at its Belfast car plant—more than three years early. Back Page

● RONSON PRODUCTS receivers made half its 1,250 UK employees redundant. Page 3

● SOUTH KOREA request for a sharp increase in bilateral aid was rejected by Japan. Page 2

● NORTHGATE Exploration of Canada is to acquire Quebec mines and other assets from the Dutch-based Patino group in a C$120m (£53.86m) deal. Mining, Page 11

● VICKERS DA COSTA directors and staff are to put up £1m as part of a £4.2m buy-out of the stockbroking firm. Page 3

● WESTLAND-UTRECHT, the ... Dutch mortgage bank, ... first-half operating profit of Fl 10.2m (£2.02m) against Fl 31.8m in the same 1980 period, with no prospect of a second-half upturn.

● CBC, the Australian bank, boosted annual earnings 27.1 per cent to A$43.84m (£27.43m), aided by deregulated interest rates. Page 17

● COOPER INDUSTRIES, steel re-roller and precision engineer, made taxable losses of £1.03m in the year to April 30, against a £726,000 profit the previous year. Page 14

● UNITED GLASS, container manufacturer, incurred taxable losses of £4.62m in the 28 weeks to June 13, against a profit of £14,000 in the same period of 1980. Page 14

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 11¼pc 1985	£91⅞	+ ⅛
Treas. 12¾pc 1993 ...	£87	+ ⅜
Automotive Products	67	+ 5
Billam (J.)	133	+ 5
Churchbury Ests. ...	780	+ 20
Heath (C. E.)	312	+ 5
Hewitt (J.)	71	+ 5
Hogg Robinson	114	+ 9
Inchcape	366	+ 14
Ladbroke New ...40pm		+ 7
Newarthill	450	+ 25
Phoenix Assurance	318	+ 10
Rosehaugh	327	+ 10
Sime Darby	92	+ 6
Standard Fireworks	144	+ 5
Utd. Scientific	521	+ 26
Patino NV	£30⅞	+ 1⅛

FALLS

BICC	273	− 7
British Aerospace	228	− 6
British Land	91	− 4
Jacks (Wm.)	21	− 2
Lee Cooper	142	− 8
Vinten	348	− 12
BP	320	− 10
Shell Transport ...	392	− 14
Bougainville	98	− 5
MIM Hldgs.	250	− 20
RCM	110	− 10
Western Mining ...	305	− 8

Saudi Arabia to hold crude at $32 and cut production

BY RICHARD JOHNS, MIDDLE EAST EDITOR, IN GENEVA

SAUDI ARABIA is to hold its oil price at $32 a barrel until the end of next year. Sheikh Ahmed Zaki Yamani, Saudi Minister of Oil, announced this defiant step after the Organisation of Petroleum Exporting Countries narrowly failed to reach agreement on a unified price structure after more than three days of intense consultation in Geneva.

At the same time, Saudi Arabia, responsible for about half Opec's output, has decided to cut September production from the fields operated by the Arabian American Oil Company by 1m barrels a day to 9m b/d.

The immediate outcome of the meeting is that Opec will continue with the price structure established in December in Bali involving a two-tier system with reference prices of $32 (£17.60) and $36 a barrel.

However, Sheikh Yamani yesterday expressed confidence that some Opec members would now reduce prices and that the weighted average charged by members would fall to below $34 a barrel from $34.2 at present.

Nigeria is likely to be one of the first to take this step. It yesterday made it clear that it would align its prices with those of Saudi Arabia — and, as a result, with North Sea crudes of similar quality — in a bid to revive its sagging exports. This means that the price for African producers' premium crude is likely to fall from $40 a barrel to about $35-$36 a barrel.

The 1m b/d cut in Saudi production announced by Sheikh Yamani is unlikely to restore fully the balance between supply and demand, given that over-production is estimated to be running at 2m

The Saudi Oil Minister described the reduction as a "gesture of goodwill." He said that if there had been an agreement on a re-unification of prices the Saudi level of production would have been drastically lowered. Sheikh Yamani said that after September production would be reviewed on a monthly basis.

The fact that Saudi Arabia is to cut production should probably be seen as a reflection of the pressures it has faced particularly from other Arab members of Opec.

However, Sheikh Yamani was uncompromising in saying that Saudi Arabia would stick to a basic reference price throughout 1982. This seems to compromise the chances of reunification at the next ordinary ministerial conference scheduled for Abu Dhabi in December.

Moreover, the Saudi Minister of Oil suggested that the correct level for its reference crude should be $25. Such a figure would have been arrived at if the pricing formula recommended by Opec's ministerial committee on long-term strategy had been applied since January 1974, he said.

Sheikh Yamani said that when he left his colleagues for a short while early yesterday afternoon he believed a compromise would be reached on the basis of $34 per barrel.

Sheikh Ali Khalifa al Sabah, Kuwaiti Minister of Oil earlier told journalists that nine or ten countries were amenable to a common reference at this level.

Neither Minister explained what had gone wrong or which members had opted out of the

Continued on Back Page

Mexican oil to boost U.S. stocks, Page 2

NO IMMEDIATE BENEFIT FOR MOTORISTS

The expected reduction in the average price of crude will please international oil companies, but it is unlikely to benefit motorists and other consumers of refined products immediately, Ray Dafter, Energy Editor, writes.

The best motorists in the UK and some other industrialised countries can hope for is that petrol prices will rise much more slowly.

In normal UK market conditions a $1 a barrel drop in crude oil prices might lead to a reduction of between 1.2p and 1.3p a gallon in the average price of all products, including petrol (assuming an exchange rate of £1=$1.85).

However, refiners complain that in spite of recent petrol price rises, they are trading at a loss. The strengthening dollar has made crude oil costs more expensive in sterling and other currencies.

In July, according to the U.S. Central Intelligence Agency, the average Opec price was $34.18 against $34.86 in January. This reflected reduced output from the producers of high-priced African crudes, notably Nigeria and Libya.

As North Sea prices—now $35 a barrel—are directly linked to the price of Saudi Arab Light Oil there will be no change in UK or Norwegian rates until Saudi Arabia raises its reference price from $32. The $3 price gap largely reflects the difference in quality.

Fermanagh vote endorses Provos

BY STEWART DALBY IN ENNISKILLEN

MR OWEN CARRON, the radical Republican standing as a representative of hunger-striking IRA prisoners, won a resounding victory in the Fermanagh-South Tyrone by-election yesterday.

Mr Carron's victory was seen as a strong endorsement by the Catholic/Nationalist voters of the policies of the Provisional IRA. These policies centre now on the hunger strike in the Maze Prison outside Belfast, although the campaign of violence is continuing.

Mr Carron defeated his main opponent, Mr Kenneth McGinnis, by 2,230 votes out of 64,551 cast—a poll of 88.2 per cent. This was an improvement over the majority of Mr Bobby Sands, the IRA hunger-striker whose death in May caused the by-election.

Two independents had insignificant votes but two other Catholic/Nationalist candidates each polled over 1,000 votes.

It seems more than likely now that the hunger strike will continue. Provisional Sinn Fein—the political wing of the Provisional IRA—of which Mr Carron is a member, is now expected to cast its eyes on the Republic. A by-election is due in Cavan-Monaghan, a border constituency, because of the death of hunger-striker Mr Kieran Doherty who was elected a TD (MP) in the general election in the Republic on June 11.

Ulster citizens are allowed to stand for the Dail (Parliament) because the Republic's constitution claims sovereignty over all 32 counties.

The writ for the by-election cannot be moved until the Dail resumes on October 20, but it could be called for November and there is a chance that it would be preceded by a campaign of violence.

Mr Carron, contrary to predictions, improved on Mr Sands' majority despite there being two other Catholics in the field. In April, Mr Sands had a straight fight with the Official Unionist, Mr Harry West. There were many spoiled votes last time.

There were fewer spoiled votes yesterday but Mr Thomas Moore of the Workers Party—Republican Clubs, a descendant of the official IRA, polled 1,132 votes. Mr Seamus Close, for the non-sectarian Alliance Party, polled 1,930 votes.

Catholic/Nationalist voters have a small inbuilt majority in the constituency, where voting is traditionally on sectarian lines.

Mr Carron, who said he will not take his seat at Westminster, said he regarded the vote as one of support for the hunger strikers. In his victory speech he said: "The nationalistic voters of Fermanagh-South Tyrone have stood shoulder-to-shoulder behind the prisoners despite mass intimidation." His words were drowned by Unionists in the counting station, chanting: "IRA murderers."

Mr McGinnis said after the result: "I am sorry that there has been a travesty of the democratic system. I condemn IRA murderers and their fellow travellers."

Earlier Mr McGinnis said: "A lot more young men are going to die on hunger strike. A lot of innocent people are also going to die as a result of this vote."

RESULTS

Mr Owen Carron, Anti H Block Proxy Prisoner	31,278
Mr Kenneth McGinnis, Official Unionist	29,048
Mr Seamus Close, Alliance Party	1,930
Mr Thomas Moore, Workers' Party-Republican Clubs	1,132
Mr Martin Patrick, Green Peace Lover candidate	249
Mr Simon Hall Raleigh, General Amnesty	90
Spoiled Votes	804

Majority 2,230
Poll 88.2 per cent
Electorate 73,161

THE LAST ELECTION

Mr Robert Sands (H Block prisoner), 30,492; Mr Harry West (Official Unionist), 29,046; Spoiled Votes 3,291.
Majority 1,446
Poll 86.7 per cent
Electorate 73,161

Grand Met to buy Pan Am hotels

BY ARTHUR SANDLES

GRAND METROPOLITAN has agreed to pay $500m (£266.5m) for the Pan American World Airways subsidiary Intercontinental Hotels, and faces a few days deciding in which currency to raise the money and working out the real value of the purchase.

The deal makes the British company the ninth largest hotel group in the world in room terms and one of the top three in international luxury accommodation.

The negotiation has been one of the most glamorous of recent times, involving deep secrecy and high finance. It involved meetings in New York; increasing pressure from bankers eager to claw back money from financially hard-pressed Pan Am; and a flood of counter-bids once news of the sale began to leak to rivals.

Once it was clear that Pan Am was willing to sell to Grand Met — a decision which took five-and-a-half boardroom hours — it emerged that Grand Met itself still had many sums to do.

Mr Stanley Grinstead, Grand Met's managing director, said the structure of the acquisition would depend a great deal on the tax position. Mr Michael Orr, finance director, said details of the bank finance also had to be worked out.

Grand Met's commitment is to pay Pan Am $500m when the deal is cleared by American anti-trust legislation (such procedure normally takes 30 days) and freed of the possibility of reference to the British Monopolies Commission — which would be extremely unlikely.

On completion, which both sides hope will be by the middle of September as they are eager to speed up UK and U.S. clearance procedures, Grand Met will get $40m back from Pan Am—the amount that the airline owes the hotel company.

Intercontinental operates 81 hotels, but has 97 properties in 46 countries if new developments and refurbishments are included.

Grand Met is embarking on an immediate revaluation of the properties which, it argues, are currently undervalued. It will still use the Pan Am computer reservation system and will keep its new luxury chain separate from its present 63-hotel middle-market operation.

It became clear yesterday that Grand Met's success in winning Intercontinental against rival bidding from such companies as Hilton and Westin Hotels was due to the fact that it is non-American, so reducing the risk of anti-trust objections. It would also be able to move quickly.

How Grand Met keeps running, Page 13

£ in New York

	Aug. 20	Previous
Spot	$1.8580-8610	$1.8510-8530
1 month	0.78-0.85 pm	0.65-0.72 pm
3 months	2.10-2.30 pm	2.00-2.10 pm
12 months	6.35-6.45 pm	6.30-6.50 pm

BR follows pay pact with talks on streamlining

BY NICK GARNETT, LABOUR STAFF

BRITISH RAIL and its unions are to begin immediate negotiations on far-reaching changes in working practices, following the unions' decision yesterday to call off the national strike, threatened to start on August 31.

Under the terms of the settlement, railworkers' pay will be increased by 8 per cent from April and 3 per cent in January, but backdated to August. The unions have also reached an understanding with the management on increasing efficiency.

The productivity understanding—which ended the strike threat along with an agreement to pay the full-staged tribunal pay award of 11 per cent—is by no means watertight, however. This was underlined by the unions, particularly the train drivers' union Aslef, which were less openly confident than BR. Of the six productivity headings, only one which will enable tickets to be collected on trains, contains what appears to be a definite commitment from the unions to negotiate. This is to be done by October 31 this year.

The other issues—concerning rostering, manning of locomotives, passenger and freight trains, and grading changes—are dealt with in the document in such a way that, although there is a commitment to negotiate and in some cases have pilot schemes, there is considerable room for disagreements and possible failure.

The agreement provides for the conclusion of negotiations generally by October 31 this year or January 1 next year, depending on the specific issue.

The clutch of changes envisaged are the most significant since the 1969 agreement on flexibility.

Mr Sid Weighell, general secretary of the National Union of Railwaymen whose executive voted 22 to 2 in favour of acceptance, said the unions would adhere to the agreement.

Changes would be brought about, he said, providing they were feasible and "the price was right." This refers to the extra productivity payments to be made to staff directly involved once new working practices operate.

Mr Ray Buckton, Aslef general secretary, said the agreements were a "victory" for railwaymen. His union was "not committed to any productivity issue" but only to continued talks on those issues.

He added that Aslef would not allow working conditions of railwaymen to worsen in order to improve BR's finances.

Mr Cliff Rose, BR board member for industrial relations said nevertheless that the deal was an "important step forward." There was no doubt that there was a firm commitment from the unions towards new working practices and he had no doubt these would be achieved.

He said this was because of nature of the understanding and of the spirit of the unions during the three days of peace talks at the Advisory, Conciliation and Arbitration Service. He envisaged some hard negotiations.

If BR succeeds in translating the union's general commitments on efficiency into substantial changes it will gain the much greater bargaining strength with which to attract higher government investment.

Sir Peter Parker, the British Rail chairman, stressed yesterday that investment was needed for the electrification programme—at a cost of £775m over 20 years—general updating of the railways at a cost of £72m per year, substantial improvements in London and South-eastern commuter services, and a more flexible financial framework for the industry.

Mr. Norman Fowler, Transport Secretary, said the agreement was "an important step towards a more efficient and cost-effective railway system." It was one BR could cover without increasing its need for external finance.

Fresh laurels for Acas, Page 3

Luxury class for Laker

BY ALAN FRIEDMAN

LAKER AIRWAYS, which is asking its bankers to postpone the repayment of its long-term debt, is to launch a new trans-Atlantic luxury business class known as Regency Service in an effort to improve the airline's profits.

Sir Freddie Laker said yesterday that the new service, to start on October 15, will provide the only first class business seating at prices comparable to other airlines' economy fares. "We will carry less passengers for more money," he explained.

The average "Regency" fare on a flight from London to New York will be about £250, compared with the new standby walk-on fare of £90 on the Sky-

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Laker flies into turbulence, Page 12

CONTENTS

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Panic has seized queues of shoppers in Poland, **Leslie Colitt** reports from Warsaw

A compulsion to hoard at times of crises

LAST JANUARY, one could buy a package of processed cheese in food shop No. 14 in Warsaw's Mokotow Street. But that is just a memory now.

Before opening time at 7 am. *a long queue has formed for* cooking oil and soap powder sold directly from the crate. The shelves are bare apart from tea, chili powder and dehydrated soup.

Yet most customers appear to be well nourished. Many are plump, even.

Poles are gripped by a compulsion to hoard which the elderly remember from World War II. Cramped apartments are lined with bags of sugar and flour, cases of vodka and soap, sausages, cheese, chocolate and cigarettes.

Mr Marek Holdakowski, Deputy Minister of Trade, says that stockpiles of necessities at home are enormous while the shops have been wiped clean. But the "panic" buying of which he speaks is no whim.

Shoppers oin queues without asking what is being sold as almost everything is worth buying. If they have no use for it, someone else does and may pay *handsomely for it.* Non-smokers use up their full ration card of 12 packets of cigarettes a month because a packet of Karos bought for Zl 27 (40p at official rates) can be resold for *Zl 150.*

The U.S. dollar, worth Zl 200 three weeks ago now commands Zl 300 on the pavement exchange market. The official tourist rate remains at Zl 33 to the dollar.

Mr Marian Krzak, the Finance Minister, estimates inflation at 25 per cent although prices for essentials have remained frozen since 1957. The price of meat, though, has tripled on the peasants *free markets where a* growing share of meat is now sold.

Spontaneous citizens "social committees" have sprung up to restore some order. They control whether goods delivered *to shops are actually sold there* and do not disappear out of the back door. But great quantities of merchandise leave factories never to arrive at warehouses but instead are chanelled to *speculators who can make* enormous profits.

The "social committees" in local queues appoint someone to check that mothers with babies in their arms have hospital certificates proving *they are their babies and have* the right to go to the head of the queue along with invalids and the aged. More than one octogenarian, however, has been sent to the back of the queue *after it was learned he had* been hired to shop for many families.

The queues are no longer largely pensioners with time who can pass the long hours chatting with friends. Entire offices are now emptied when word arrives of a new shipment at a kiosk of toothpaste or shampoo.

The waiting shoppers are astonishingly patient. There are flashes of anger when queuers jostle to enter the front door of shops *after many* hours of waiting. But generally they lean back against the wall and shuffle forward at intervals.

"What I fear," said a senior economics official, "is that people will get used to the queues. This will only make things worse. People do not want to work because there is no motivation."

Absenteeism has apparently risen by a third in recent months over an already high level.

Poland is awash with official statistics which show why Poles are unwilling to heed the government's appeals to work harder. Wages rose 26 per cent this year while the production of consumer goods has fallen 9 per cent, meat by 20 per cent, sugar by 30 per cent and dairy products by 10 per cent. The Government says there will be a "further deterioration" in the third quarter of this year if the slide in output is not halted and the rise in incomes curbed.

One thing Poles still have in abundance *is their zest for life,* especially after dark. Poles who can afford it, and many who cannot, throw away their cares in the evening and spend their zlotys as if there were no tomorrow.

Workers have retained their sense of humour although it has become increasingly biting in tone. Workers at the Lenin Shipyard in Gdansk have posted up their own parody of the Polish Communist Party's new programme:

- Create a meat-free zone between the Oder and Bug rivers (Poland's borders).
- Lower the intelligentsia to the level of workers and the workers to the level of peasants and the peasants to the ground.
- *Design a new Polish flag. On* a red and white background, draw a worker with a sickle around his neck and a hammer over his head.
- Abolish beds in Poland. Let peasants sleep on straw, workers on the third shift, directors at conferences and students at classes.
- Place portraits of Kania, Lenin, Marx and Reagan in catechism schools and have the children pray:

To Kania: Our Father
To Lenin, Who art in heaven
To Marx: Hallowed by Thy name
To Reagan: Thy kingdom come.

Poland delays bread price rise

BY LESLIE COLITT, IN WARSAW

THE POLISH GOVERNMENT has decided to delay bread price rises by one week. The price of bread will now more than double on August 31.

The Government's decision to delay the politically-sensitive rises came as the leadership of the Solidarity independent trade union met *in Gdansk to consider reaction to the move.*

The Polish News Agency first said the price rise would commence on August 24. Both the Government and Solidarity suggested that emergency talks on the increase and other issues could be held early next week.

Word of the impending rise caused a further run on the few remaining goods in Polish shops yesterday. It is feared that other price rises will follow. Poles stood in queues more than 150 deep to buy cigarettes, writing paper and meat.

The Communist Party paper, Trybuna Ludu, said the authorities would probably not be able to provide the already lowered 3-kg monthly meat ration as farmers were refusing to deliver enough to the State purchasing agency. Instead they are selling it on the private market at inflated prices.

The Government is fully aware of the post-war history of price increases in Poland. They led to fatal riots and uprisings on three occasions.

Solidarity said it recognised the need to boost bread prices in order to end spiralling subsidies and waste. But it said there would have to be adequate compensation for the working population and retired people based on income and the size of the family.

The union has stipulated that members would have *to approve such price rises.* Solidarity's powerful Warsaw chapter warned that the Government move could lead to an "uncontrolled" popular protest.

President Zia threatens to sack 300 more staff in PIA purge

BY DAVID DODWELL, RECENTLY IN KARACHI

PRESIDENT Zia-ul Haq's purge *of Pakistan International Air*lines spread deeper yesterday with news of more sackings in the pipeline and of wholesale reorganisation aimed at saving \$35m (£19.2m) a year.

New moves are to include, the sacking of another 300 "undesirable elements." This follows the dismissal of 340 workers on Wednesday, and the arrest and detention of about 19 PIA union officials.

Some of the airline's routes *may be cut, in particular two* loss-making flights to Bangkok and two to Singapore. Overtime working, already cut in half, is to be trimmed still further, saving up to \$10m a year.

Overseas offices of *PIA*, which employ about 7 per cent of the staff, yet account for about 33 per cent of the wage bill, are to be cut from present levels. Staff abroad have over the past six months been pruned from 1,400 to less than 1,200.

There will be further changes in routes, flights, staffing levels and management methods when two independently commissioned reports are completed in a month's time. Staff levels have *already been cut from* 24,000 to 21,000. Management hopes to prune a further 1,000 a year.

The purge comes at a time when PIA is about to turn to the Euromarkets for a \$50m loan to buy a new Airbus. The Government was worried that the *company's poor image* would make it difficult to raise the loan, or make its terms punitive.

The unprecedented swoop on the airline, in which a new *martial law regulation was im*posed enabling the Government to dissolve PIA's powerful unions and dismiss workers, has sent shockwaves through the country's unions.

It has prompted speculation that the Government is using PIA as a test case before moving against other unions.

PIA workers have for many years been an elite among Pakistan's labour force. Their international visibility working *for the country's flag-carrier* makes the Government particularly sensitive about their image. There is no dispute over claims that the standard of service has deteriorated, corruption has spread and management has been paralysed in the face of powerful unions using coercive methods.

The Government evidently decided to move when the company came close to defaulting on two major international loans. Profits which had fallen from \$30m in 1978-79 to \$7m both last year and this (up to June, 1981), were no longer sufficient to pay interest on debts or to sustain a heavy investment programme.

Caspar Weinberger, the American Defence Secretary (left), chats to John Nott, the British Defence Minister, after yesterday's talks in London. Mr Weinberger is believed to have detailed Wednesday's incident in the Mediterranean when American jets shot down two Libyan fighters.

Schmidt hints that Bonn may accept neutron warheads

BY ROGER BOYES IN BONN

CHANCELLOR Helmut Schmidt last night suggested that the Bonn Government would still be prepared to station neutron warheads on West German territory, *providing* other Nato countries also accepted the weapon and providing that arms control talks proved fruitless.

Herr Schmidt's first public comment on the U.S. decision last week to begin stockpiling the weapon, came amid a flurry of criticism of the neutron weapon from Left-wingers within Herr Schmidt's Social Democratic Party (SPD).

When the U.S. announced that it was going ahead with neutron production, it was by no means clear whether Bonn would stick to its 1978 decision to station these weapons.

President Carter's move to stop the weapon—bowing to European pressure—had confused the whole issue and clouded Bonn's position.

Now, Herr Schmidt is indicating readiness to accept the weapon and in doing so seems to be risking a broadside from his party, already sceptical about the stationing of medium-range nuclear weapons in the country. Unlike the neutron warhead, which is intended as a battlefield weapon, these medium-range weapons can reach targets in the Soviet Union.

In a television interview last night, the Chancellor hedged his comments with considerable qualification which may give him a let-out should party pressure prove too strong.

In the first place, a stationing decision was still some distance away. The alliance thus had time to consider how the weapon should be used and how it could be integrated in arms reduction talks.

Secondly, the neutron weapon should not be stationed in West Germany alone, but should be deployed in other Nato countries.

Thirdly, the stationing decision should be made by the alliance as a whole, and finally the move should only be made after arms control talks had irreconcilably broken down.

S. Africans block return of squatters

By Bernard Simon in Johannesburg

POLICE have set up roadblocks on the border between South Africa and the Transkei tribal "homeland" to prevent squatters, forcibly transported to Transkei earlier this week, from returning to the Cape Town area.

More than 1,000 squatters were arrested at Nyanga, near Cape Town, on Wednesday morning after their shanties had been demolished by local officials and they had refused to *accept jobs offered by the* Government on mines and farms in other parts of the country.

The squatters were removed under the terms of South Africa's "pass" laws which restrict severely the movement of blacks from rural to urban areas. Dr Piet Koornhof, the Minister of Co-operation and Development, told Parliament earlier this week that 38,500 blacks were arrested in South Africa on pass law offences in the first six months of this year including almost 7,000 in the western Cape.

The Nyanga squatters were taken by bus to Transkei. According to local reports, police at the border are stopping every bus, truck and car travelling from Transkei to South Africa. Passengers without the necessary papers have been arrested.

Several hundred other Nyanga squatters, who apparently evaded arrest during police raids this week, have taken refuge in a nearby church. The site is now deserted, and Government officials have issued strong warnings that the establishment of new camps will not be allowed.

The treatment of the Nyanga squatters has unleashed angry condemnation of the Government from a broad cross-section of South African opinion. The moderate Star newspaper said in an editorial that "it is apartheid that raises South African squatting to the stature of a Frankenstein monster in a police uniform." A heated debate on the squatter issue is expected in Parliament on Monday.

Cairo IMF talks

AN International Monetary Fund delegation left Cairo yesterday after four days of talks on Egypt's request for an extended credit facility of SDR 600m (\$670m). The director of the IMF's Middle East operations, Dr Abdel-Shakhour Shaalan, said the talks would continue in Washington next month. The IMF is asking Egypt to rationalise its subsidies policy, which this year will *cost the Egyptian Treasury* about \$2bn.

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Mexican oil to boost U.S. strategic stocks

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. is to buy nearly 110m barrels of oil from Mexico for its strategic reserve over the next five years, the Energy Department said yesterday. The U.S. will pay normal export prices, negotiable every three months.

Mexico, the world's fourth largest oil producer, sells a 50-50 mixture of its light *Isthmus and heavy Maya crude* for an average \$31.25 a barrel, more than \$3 a barrel below average Opec prices. Mexico is not a member of Opec.

The deal is the first by which the U.S. has purchased oil directly from another Government. It provides for the U.S. to receive 200,000 b/d of Mexican oil between September 1 and the end of this year, *followed by 50,000 b/d from* January 1, 1982, to August 31, 1986.

The announcement earlier this month that negotiations were under way on the deal provoked sharp protests from other oil producers, particularly Saudi Arabia. The producers fear that the build-up of the American strategic petroleum reserve will allow the U.S. to exert downward pressure on world oil prices at some time in the future.

Mexico, however, needs to recoup losses it incurred earlier *this year from falling oil prices.*

The U.S. strategic petroleum reserve, intended to enable it to survive a major cut-off in oil supplies, stands at 175m barrels. It is hoped it will reach 200m barrels by the end of next month. The ultimate goal is 750m barrels.

Storage tanks still ablaze

KUWAIT Government officials were insisting last night that Kuwait's crude oil exports will remain unaffected by a fire still blazing in the Shuaibah refinery, James Dorsey writes from Kuwait. The fire, which began on Wednesday night has hit four oil storage tanks officials said. But workers at the Kuwait National Petroleum Company, which owns the refinery, maintained that six oil-storage tanks were still burning.

Crude oil price 'to rise at annual rate of 1-2%

BY RAY DAFTER, ENERGY EDITOR

CRUDE OIL prices are likely to rise at an annual rate of 1 to 2 per cent in real terms over the next two decades, according to a new study of world-wide energy prospects, published by Texaco.

The U.S.-based oil group says future price movements are highly uncertain. Much would depend on the availability of oil and the pricing policies of the Organisation of Petroleum Exporting Countries.

With no real increase in prices, non-Communist world oil demand would rise from the 1980 level of 49m barrels a day to over 71m b/d by the turn of the century.

A 4 per cent annual price rise in real terms would result in oil consumption remaining *at about the present level.* Under base-case assumptions of a 1 to 2 per cent real price increase each year, free world oil demand is expected to rise to 60m b/d by the year 2000.

On these base case assumptions — which set aside the possibility of major military conflict or of Soviet dependence on non-Communist world oil—Opec members were unlikely to see demand for their production again reaching peak 1978-79 levels before well into the 1990s.

Even then, Opec production is expected to rise only moderately to about 34m b/d by the turn of the century—much less than many previous forecasts.

Free world energy consumption as a whole is expected to rise from its current level, equivalent to 95m b/d of oil, to the equivalent of 150m b/d in the year 2000.

Texaco also warns that demand in developing nations will *rise rapidly, by 4.5 per cent a* year, which could impose serious strains on the financing capabilities of many nations. Consumption in the industrialised community would increase at less than half that rate.

NON-COMMUNIST WORLD ENERGY DEMAND

(m barrels/day oil equivalent)

	1960	1980	2000
U.S.	21.7	38.2	48.3
W. Europe	12.2	24.6	35.2
Japan	1.7	7.3	11.7
Canada	1.8	4.7	8.3
Others	5.9	19.5	46.6
TOTAL	43.2	94.4	150.0

Source: Texaco

Alcoa wins power cost investigation

By George Marshall in Sydney

ALCOA AUSTRALIA has extracted a quick response to a threat to scrap its A\$700m (£440m) aluminium smelter in Portland, Victoria, with the State Government last night ordering an immediate inquiry into future electricity charges for the project.

Aware of the political implications of an end to work at the project Mr Lindsay Thompson the Victoria Premier, announced a broad ranging investigation with an early deadline.

The Premier's decision follows discussions between Mr Malcolm Fraser the Prime Minister and senior company executives in Canberra on Wednesday, the day after Alcoa released a statement to the Press disclosing that scrapping the project was a *possibility.*

The company said it had been forced to revise its plans by the Government's decision to increase electricity charges to industry by 20 per cent.

Mr Thompson faces an election within seven months and is trying to consolidate his position, having been appointed Premier only three months ago.

He forced Mr Rupert Hamer, the former Premier to resign after criticising his economic policies, particularly the State Government's alleged failure to attract foreign capital.

The inquiry will be conducted by Professor Donald Cochrane the chairman of the State Bank

Professor Cochrane will begin his inquiry into future electricity tariff structures for the smelter project early next week. He has been ordered *to report his findings* within 28 days.

His terms of reference are to examine options for future electricity tariff structures for Alcoa's smelting operation *as well* as to blueprint formulae for possible future changes in such charges.

Israeli funds crippled by Begin's subsidies

BY OUR TEL AVIV CORRESPONDENT

THE MASSIVE subsidy programme which helped bring Prime Minister Menahem Begin back to power in the Israeli election has run down Treasury funds to a critical level, according to senior officials.

Budget allocations and *reserves earmarked for subsi*dies during the fiscal year up to March, 1982, are already approaching exhaustion, one official told a meeting of the Knesset (Parliament) finance committee this week.

Of the Sh 6 bn (£260m) set aside for subsidies in 1981-82, only Sh 1.7bn (£74m) is left. But it would cost a full Sh 19bn (£826m), to keep subsidies going at the present rate until March, the official said.

Clearly the subsidies will have to come down and probably at a faster rate than Mr Yoram Aridor, the Finance Minister had hoped. Most of the subsidies go on food, notably eggs, milk and frozen chicken.

These subsidies, imposed by Mr Aridor in the run-up to the election campaign, along with cuts in taxes on consumer goods, were generally believed to have played an important role in securing Mr Begin's narrow election victory.

The subsidies and tax cuts did, temporarily choke off inflation. The June and July increases in the Consumer Price Index were the lowest for two years. The index for July showed a sharp increase, however, bringing the annual rate of inflation back to well over 100 per cent.

Canada newspaper probe biased, says Thomson

BY VICTOR MACKIE IN TORONTO

LORD THOMSON of Fleet, chairman of Thomson Newspapers of Toronto, which was severely criticised by the Royal Commission on newspaper in Canada, has attacked the Commission as "blatantly ... and said its C\$3.1m ... inquiry represented a squan... ing of taxpayers' money.

In a prepared statement, Lord Thomson said the Commission's recommendation that Thomson Newspapers be forced to sell some of its holdings was "disappointing (and) ... even dangerous." If the Canadian Government was to implement any of the report's major proposals, Thomson Newspapers would challenge the constitutional validity of the legislation in the courts, he said. It would argue that such legislation would constitute an "unwarranted and retroactive interference" in the jurisdiction of the provinces over property and civil rights.

... Thomson also said the ... hired ... to ... th... wh... defe... legit... ...osals. He said th... ...ners had consulted ...ional experts and had s... themselves that the powers given to the Federal Government were sufficient to implement the proposals.

Japan rejects S. Korea's aid plea

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN yesterday turned down a South Korean request for \$6bn (£3.29bn) in bilateral aid over the next five years—roughly 10 times the amount currently being made available by Tokyo to Seoul.

The Korean request was made yesterday during talks between Mr Lho Shin Yong, the South Korean Foreign Minister, and *his Japanese counterpart,* Mr Sunao Sonoda.

Mr Sonoda rejected the request, pointing out that Japan expects its bilateral aid to Asian countries to reach about \$10.5bn (£5.76bn) over the coming five years. To reserve 60 per cent of this sum for a single country would be impossible, Mr Sonoda said.

Japanese officials said yesterday that Korea had failed to give *details of how it planned* to use a vastly increased flow of Japanese aid. But Mr Lho stressed that his Government had spent heavily on defence and that Japan had "benefited" from this since stability in the Korean peninsula was essential to its security.

Mr Sonoda rejected any link between aid and defence and told Mr Lho that Japan could not undertake to share any part of Korea's defence burden.

Japan appears to be willing to offer Korea about \$110m (£60m) of aid a year.

The Lho-Sonoda talks were the first in a *series* of meetings designed to restore "normality" to Japan-Korea relations after a period of strain caused by political upheavals in South Korea.

A second and more *important* round of talks will be held in Seoul on September 10 and 11 when the economic ministers of the two countries will meet. It will be the first full-scale ministerial meeting to be held since 1978.

UK NEWS

The Time Out bomb that exploded a Sixties dream

John Lloyd traces the split that closed a 'radical' magazine

IN THE unlucky 13th year of its life, the tension which provided Time Out with the instantly recognisable, inimitable style and content which has amused, infuriated and informed Londoners finally snapped.

The magazine had become London's best known guide to radical politics and every kind of event. But there was a tension between these different purposes—created by the magazine's owner and publisher Tony Elliott, by the staff he hired (or, some of them) and by the history they shared. It was an overstretched piece of elastic pulled between the businessman Elliott and the radicals among the journalists.

Elliott, so the story goes, began the magazine as a fold-out wall poster in 1968, the year he should have been polishing his French (in France) for his degree course at Keele University. From the first it listed the events the more staid journals did not touch: rock gigs, fringe theatre, underground cinema—the epiphenomena of a subculture which, overblown and pretentious as it was, touched most of that maturing generation—if only to see them recoil in horror.

The tension was there from the start. Elliott had a nose for business, much more developed than his three early partners or any of his subsequent employees. That was fine, because at first they did not regard themselves as employees: they were a group of friends working together, their friendship reinforced by the 1968 harmony. But . . . Time Out was his (his £50 began it), he provided the energy and the commitment to meeting production schedules, checking that events were happening when Time Out said they were happening, pushing himself and others to find out more.

Soon, the magazine took on the "agitprop" column, a listening of political happenings of the Left. That was fine too: part of the scene. What better than a demo before Warhol? But those who were part of *that* scene (heavy, political) did not necessarily participate in others: they criticised the very consumerism which was Time Out's lifeblood. As Agitprop expanded to become a news section, and as its staff increased from one part-timer to several full-timers, it became increasingly clear to Elliott that he had clasped a viper to his bosom.

By 1973, all of the radical-underground newspapers—IT, OZ, Friends, Ink, Seven Days, Black Dwarf—had had their day and, for the first and last time, gone properly underground. Time Out, buoyed up by record and movie ads, with a flourishing classifieds department in which the personal section was rising to its deserved prominence, could *afford* radicalism.

The trouble was, the radicals objected to how their writing was financed: the customary tension in newspapers between advertising and editorial was given an extra sharp flavour by the political invective which coated it. An active feminist element demanded the removal of certain ads: the magazine's covers were a constant battleground: the split between "culture" and "commitment" grew deep.

As this happened, Elliott's old friends in the culture section bewailed the end of the old days, complaints which struck deep chords. An intensely emotional man beneath his often curt reserve, Elliott grew to dislike, then to hate, the destruction—as he saw it—of what had been a co-operative. Structures grew formal—ownership was firmly vested in Elliott's family (his mother was a major shareholder), while on the other side a National Union of Journalists' chapel marshalled the staff.

An ill-advised venture into straight consumerism — with "Sell Out" magazine—lost money, and won the chapel the right to veto further projects. Elliott smarted, talked of selling out and moving on, shifted offices from grubby Kings Cross to chic Covent Garden, hired more management and brooded.

To the outside world, all seemed well. The circulation rose inexorably, profits were made, the news section improved, the reviews and listings retained their inimitability. But Elliott had decided: unlike many whose judgments are swayed easily, he had a deeply stubborn streak. He wanted Time Out to enter a new phase, largely shorn of its radical pretensions with commercial freedom and the best journalism available.

The root issue became equality of pay, more or less enjoyed by the staff from the early days when there was no question of anything else. It had survived the growing professionalism of the magazine and while some staff grumbled, none dared to attract the odium of direct challenge. Elliott wanted to attract very good professionals and needed to introduce pay differentials. Neither side would give in: the elastic finally parted.

So Elliott will get the Time Out he wants. If he has his way, he will hire sharp writers whose radical fantasies are generally saved for their expense claims. Time Out will become more like the Sunday supplements: efficient, often interesting, with a good market sense and lots of flair.

But in ending 13 years of love and hate, Elliott may have ended also that inimitable style which commanded loyalty, even where it did not always command respect. The subterranean dialogue between "Good" and "Evil," commitment and consumerism which ran through Time Out, in giving way to a blander comfort, will be missed, at least by me (a former, schizophrenic editor).

Most of the staff, too—who are now planning a new magazine of their own—may get the magazine they want, free from the enervating battles with Elliott. They include writers of real talent who prefer to receive half or a third of their market rate and who have a well-developed sense of the irony of their position.

Yet they, too, like Elliott, will lack that flow of adrenalin which comes from being up against a close enemy: they may also seriously miss the commercial intuition which Elliott has deployed—in Time Out, if in no other venture. They, too, risk blandness in their unchallenged radical assumptions.

As Time Out would have said in its early days (and may still say yet), every organism needs its warp and its weft. Elliott's warp has parted from the staff's weft—can they each become whole again?

Surprise contender to join London listings battle

BY LISA WOOD

The circulation battle to be fough in London this autumn between rival leisure listings guides is to be joined by an unexpected contender. The Illustrated London News.

The 139-year-old monthly magazine is to produce from September a 30-page guide within each issue called Briefing. It will include a calendar of the month's forthcoming events as well as pictorial and editorial comment.

The ILN, which has a monthly circulation of about 66,000, said the new guide would not be in direct competition with magazines such as Time Out, which is expected to return shortly to the streets after a 3½-month dispute. It claimed the ILN had a "quite different readership which is mainly male and more up-market."

An estimated 14 people read each copy of the ILN according to the magazine's own figures, and it hopes that the new guide will encourage more people to buy their own copies, at a price of 95p.

Time Out, which had a weekly circulation of 82,000 before its staff and the publisher, Mr Tony Elliott, entered into a dispute, is expected to resume publication on September 17.

Forty of the sacked staff earlier this week abandoned their dispute with Mr Elliott and announced they were going to set up a £400,000 new venture, as yet unnamed. Nine of the staff however are not joining the new magazine and are currently negotiating with Mr Elliott over their re-instatement at Time Out.

As well as Time Out and the ex-staff's new magazine, another listings guide called Event is to be launched in October by Mr Richard Branson, head of the Virgin group. Already on the market are What's On in London and Where to Go, both of which have benefitted from Time Out's absence.

Rail peace agreement brings fresh laurels for Acas experts

NICK GARNETT and JOHN LLOYD analyse the terms of settlement in the rail dispute and the conspicuous role played by ACAS, the Government's conciliation service.

Mr Derek Fowler, vice-chairman of British Rail, in conference with Sir Peter Parker, his chairman (rght), in London yesterday.

THE AGREEMENT which has averted the threat of a national rail strike on August 30 is a considerable triumph for Acas, the Advisory, Conciliation and Arbitration Service.

It is the biggest dispute which Acas has yet settled: usually most of its work is small-scale, detailed negotiation.

The settlement is a big feather in the cap of its new chairman, Mr Pat Lowry, and Acas's chief negotiator, Mr Dennis Boyd.

It gives the service a much-needed boost. Very much a creation of the last Labour Government, it has been regraded as less important by the present Government and has recently noted gloomily that rising unemployment has swung the balance of power towards employers to the extent that conciliation and arbitration seems sometimes to have given way to the imposition of settlements in some sectors.

The service made it known, soon after talks between British Rail and the unions broke down nearly three weeks ago, that it would be available if needed. The two parties finally agreed to place their apparently irreconciliable positions in its hands last Tuesday.

That day, the first seven hours of talks were spent with both sides jointly presenting their case in what was later described as a "therapeutic session."

They left that night, as Mr Lowry, Mr Boyd and other Acas officials began to piece together formulae to put to them the following afternoon.

It became clear to them that the best hope lay in separating the two elements in the dispute: the pay award made by the Railway Staffs National Tribunal for 8 per cent from April 20 and 3 per cent from August 1; and BR's demand for union agreement to a package of efficiency measures.

However, it was also clear that the two elements stood or fell together: if both were not agreed, neither could be.

On Wednesday, Mr Lowry and Mr Boyd began to work on the unions, suggesting various forms of productivity commitment to which they could agree. It was near to midnight when the two manual unions gave a highly conditional assent to a modified version of what BR wanted (see below).

The next day, BR was required for its part to set out a bit more clearly what it was prepared to do about pay. By 3.30 pm on Thursday, after 21 hours of talking, tea and fish suppers, the deal was closed.

Everyone has got something out of that deal. British Rail has obtained a productivity doucment and stayed within its cost budget by deferring the payment of the 3 per cent and the shorter working week; the unions have won the full 11 per cent awarded by the McCarthy Tribunal; and the public have seen the threatened strike called off.

Mr Cliff Rose, board member for industrial relations said he had no doubt that BR would obtain new streamlined working methods, not only because of the productivity doucment but also because of the spirit shown by the unions.

Mr. Norman Fowler, Secretary for Transport, has agreed with Mr Rose, Sir Peter Parker, the BR chairman, is said to be "delighted."

Mr Sid Weighell, secretary of the National Union of Railwaymen, said that the productivity understanding was not a flippant document and the unions would not renage on it.

Changes would be brought about providing they were feasible and "the price was right"—a reefrence to productivity payments to be on offer once the new working practices are put into effect.

Mr Ray Buckton, general secretary of Aslef the train drivers' union, said that the pay and productivity deals were a "victory" for the railwaymen.

Of the six main headings in the productivity understanding, only the first—on open stations—contains what appears to be a firm union commitment.

The six points are:

- Open stations, with on-train staff carrying out ticket collection and inspection. The parties agree that it will be possible to negotiate a specific agreement to introduce this. Talks to be concluded on a basis for agreement by October 31.
- Passenger train manning. Acceptance by parties that the Bedford-St Pancras electrification service in May next year provides the opportunity for a "fundamental rethink" of the whole concept of train-manning on modern stock in commuter areas. Talks to take place on a prototype system "without any preconceived conditions on either side."
- Variable rostering hours. Negotiations to establish variations to the rostering agreements with a view to introducing some flexibility around the eight-hour day, but without producing unreasonable variation in the length of each working day or week. Discussions to be concluded by October 31.
- Easting conditions of single-manning. Talks on single-manning of engines on the understanding that provisions will have to be made for appropriate safety measures and with no worsening of staff conditions. Talks to be finished by October 31.
- Freight-train manning. Immediate joint examination with a view to establishing to the satisfaction of the parties the circumstances in which some freight trains could be operated without guards. Two or three pilot schemes shall be ready for introduction if possible by January 1.
- Trainman concept. Unions undertake to enter immediate talks with a view if possible to concluding an agreement providing recruitment, training and promotion through the grade of trainman to drivers or to other appropriate grades. Talks to be concluded by January 1.

Ronson's receivers sack 627 as search for buyers goes on

BY JAMES McDONALD

Half the 1,250 employees of Ronson Products — the UK lighter and electric shaver-making subsidiary of the U.S. Ronson Corporation — were made redundant yesterday by the receivers and managers called in a wek ago by Barclays Bank.

Barclays Bank is owed nearly £9m by the British company and it is understood that the American parent company is unable to help its subsidiary. The U.S. company is nonetheless believed to owe money to the British offshoot.

Price Waterhouse, the joint receivers and managers called in by Barclays Bank, announced last night that "in view of the losses sustained by the company, 627 employees are being declared redundant today."

Of these, 514 are at the Leatherhead lighter-making plant, about half of its workforce.

The remaining redundancies are at the company's electric shaver plant at West Chirton, Tyne and Wear, with 250 employees, and in various Ronson service shops and centres in London (the Strand), Newcastle, Birmingham, Manchester, Glasgow and Bristol.

About half the British Ronson manufacturing workforce are still employed by the receivers, some resumption of supplies has been agreed with suppliers, and limited production will be continued at the Surrey and North Shields' plants.

The brief of the receivers and managers is to try to sell the company as a going concern. "Limited production will be continuing at both locations while the receivers continue discussions with interested parties."

There has been interest by potential buyers of parts of the Ronson UK operation and Finance Corporation for Industry is involved in discussions.

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Scotland's herring grounds to reopen

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE GOVERNMENT has ordered the reopening to British boats from Monday of the herring grounds to the West of Scotland, with fishing restricted to conserve stocks.

The grounds were closed to British boats on August 10, largely at the request of the fishermen, after a disastrous start to herring fishing following a three-year ban.

The grounds had been opened last month by the EEC Commission in Brussels after being closed on conservation grounds by the British.

The ban lapsed when Common Market ministers failed to reach agreement on a common fisheries policy in July.

However, the British processing industry had largely converted to mackerel during the ban which followed overfishing to the West of Scotland. The industry was unprepared for large landings of herring and fishermen found they could not sell their herring.

Meanwhile Common Market fishermen converged on the grounds and only when guarantees were given that foreign boats would keep to their quota of an annual catch of 67,000 tonnes were British fishermen assured that a temporary ban on British fishing would allow "managed fishing to return.

The reopening of the grounds will be controlled through a system of licences for British boats over 40 ft long which have not converted to fish for mackerel.

A total of 4,000 tonnes of herring have been set aside for British boats until the end of October, with a target catch of 500 tonnes per week. This is the amount the processing industry says it will be able to handle.

For the remainder of 1981, ministers have decided that the main herring fishing aimed at the fresh market is not to resume until the end of the mackerel season around the end of October.

Meanwhile the Government has increased aerial surveillance of the area to make sure quotas are kept.

Nott faces U.S. on effect of naval cuts

THE EFFECTS British naval cuts would have on the reinforcement of Europe in wartime figured in talks yesterday between Mr Caspar Weinberger, the U.S. Defence Secretary, and his British counterpart, Mr John Nott. Mr Weinberger is to return to the U.S. tomorrow.

Meanwhile, the U.S. has said it would not deploy neutron warheads in any West European country unless its government agreed. The pledge came from Mr Richard Perle, an Assistant Secretary-of-State at the U.S. Defence Department yesterday. Previously the U.S. has only committed itself to consulting its allies.

Chancellor Helmut Schmidt of West Germany yesterday confirmed Bonn would accept neutron warheads if other Nato countries also accepted the weapon.

Travellers' duty free shopping to continue

COMMON MARKET travellers will still be able to buy duty free goods on planes and ships within the EEC, the European Commission said in London yesterday.

A decision by the European Court earlier this week about duty free goods applied only to "butter ships" which for years have been steaming out of EEC territorial waters to sell goods cheaply.

Production of wool textiles increases

PRODUCTION in the wool textile industry went up in June and some parts of the industry are employing more people although the total number of workers is still falling.

The latest report of the Bradford-based Wool Industry Bureau of Statistics shows that production of wool and synthetic fibres increased in June. So did wool consumption. Woolcombing, worsted weaving and woollen spinning employed more workers than in the previous month, but worsted spinning and woollen weaving employed fewer.

Companies House clears backlog

COMPANIES HOUSE is clearing the backlog created by the Civil Service strike faster than expected. Yesterday it released 120,000 files related to requests for information lodged before the strike began on March 10.

The Registrar of Companies had not expected to release these for another eight days. The 300,000 requests for information which have been received since the strike began will be processed in strict chronological order, the Registrar said.

Two banks added to recognised list

KOREA'S Cho-Heung Bank and The Detroit Bank and Trust Company have been added to the Bank of England's latest list of recognised banks bring the total to 286.

Before the Banking Act 1979, Detroit Bank and Trust was an authorised bank but following the new regulations it was accorded the status of licensed deposit-taking institution.

City and County House Purchase Company, has been deleted from the list of licensed deposit takers reducing the number to 298.

'Defensive' police chief attacked

BY LISA WOOD

A MANCHESTER solicitor, yesterday told an independent inquiry into the Moss Side riots that he had so little faith in police complaints procedures that he advised clients not to bother with them.

Mr Geoffrey Wilner, also a Labour member of the Greater Manchester Council, said: "It is a waste of time. There is frustration and the net result is that time has passed and the complaint is not listened to."

He claimed that Mr. James Anderton, the Chief Constable of Greater Manchester was complacent and defensive about complaints. He is a policeman of yesteryear—a politician and an administrator. His public utterances have been extremely defensive and rejecting criticism."

Mr Wilner, who has been involved in criminal defence work for 20 years, said complaints against the police had risen dramatically in recent years.

These involved allegations of physical violence by police, both in the police station and upon arrest. The problem was at the level of the policeman on the beat, said Mr Wilmer. "I have no doubt that there is an element of justification in this field of complaints against the police," he added.

He agreed with Mr Benet Hytner, QC, chairman of the five-personal inquiry panel, that street crime had increased in the past three years and that the police had to use legitimate methods to protect people.

Meanwhile, Sir David McNee, the Metropolitan Police Commissioner, has said Scotland Yard favours new powers of arrest on the lines of the defunct Riot Act.

Sir David made the recommendation in written evidence to the second part of the Scarman inquiry into the Brixton riots, which starts next month.

The law was a matter for Parliament, Sir David said, but he added that new powers could assist in the prevention and containment of public disorder. "I am in favour of the creation of an arrestable offence punishable within the limits of summary jurisdiction after certain safeguards."

The Riot Act of 1714 was repealed in 1967 after remaining unused since 1919.

Sir David rejected the concept of a full-time riot squad but made a case for the strengthening of the controversial Special Patrol Group.

He said the police needed better protective equipment but he was wholly against the use of "offensive weapons."

Lothian seeking ways to avoid cash flow disaster

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE BATTLE between the Government and Lothian District in Scotland appears to be entering its final stages.

The crucial factor was an unintentional self-inflicted wound: a decision to stop new spending which the Labour group found to its dismay led to about 1,000 teachers on fixed-term contracts being told they had lost their jobs.

The Labour leadership, which was pledged to defend jobs and services in its protracted fight with the Scottish Office about overspending, is now desperately trying to reverse its decision by lifting the moratorium and somehow rehiring the teachers.

At the same time, it will be looking for other spending cuts. Last week it ordered cuts of £15m, but this did not impress the Government.

The main teachers' union in the area, the Educational Institute of Scotland, accused the Labour leaders of betrayal and organised a strike ballot among its 6,000 members, representing the bulk of the region's 8,000 teaching staff.

One source of comfort to Mrs Phyllis Heriot, the Labour group chairman, was a statement by the trade unions that they were prepared to sit down with the group and discuss economies if the moratorium was lifted.

A council meeting is needed to vote for this and the next session is scheduled for September 1.

Lothian is losing £47m in weekly instalments because its £400m budget is 24 per cent above Scottish Office guidelines.

This week, the Government started halving the weekly rate support grant of £3m, thus threatening the council with a shortage of cash.

But the message to the council is that £17m of the grant cut will be restored if £30m is reduced from spending.

The main target for savings will be education and social spending which form over half the budget but services such as transport will also be reviewed.

An early target will likely be the region's bus service

Food poisoning up by 29% in 1979

BY GARETH GRIFFITHS

FOOD POISONING in England rose by 29 per cent in 1979. Establishment [illegible] which [illegible] train [illegible] scheme, [illegible] will clearly [illegible] smalle[illegible] The [illegible] schemes are incre[illegible] life [illegible] Mr Ba[illegible] ent, Saver[illegible] director of [illegible] Revenue the Amber [illegible] of the Council in Derbyshire [illegible] of in the Institution of Environmental Health Officers' magazine, Environmental Health, that in England food poisoning cases rose from 11,326 in 1978 to [illegible]4,587 in 1979. Salmonella [illegible] accounted for 60 per cent of the times.

Legislative attempts to control salmonella by the compulsory heat treatment of animal feeding materials would probably be both too late and too little to reduce the outbreak in the UK, Mr Sheard argues. In Denmark such a policy has "proved of immense value," but it has been in force since 1954.

Mr Sheard says environmental health officers should concentrate on the large-scale preparation and cooking establishments. He calls for more local authority resources to help a shift to in-depth inspections.

Home cooking has a relatively-clean bill of health, accounting for only 15 per cent of all food poisoning. The number of household cases fell to 2,240 in 1979, compared with 2,507 in 1978.

TUC to hit the jobs trail with 'Youth Express'

BY OUR LABOUR CORRESPONDENT

THE TUC plan to use the rapidly-growing unemployment among young people as a major part of its campaign against Government policies is receiving widespread support, it was claimed yesterday.

The centrepiece of its "Jobs for Youth" campaign—organised in association with a number of youth organisations—will be a "Jobs Express" setting out from Newcastle on November 23.

The train will carry nearly 400 young people—25 or 50 from each region—round the country's major cities, where a rally will coincide with its arrivals.

It will lend its tour in London on November 27 where a mass demonstration and rally on Sunday November 29 will be followed by a lobby of Parliament the next day.

The organisers believe that the rallies will attract even greater support than the "People's March for Jobs" which, starting from a narrow base, created widespread enthusiasm.

Mr David Lea, TUC assistant secretary and chairman of the national co-ordinating committee for the campaign, said that the aim was to involve young people in policy-making for their own future.

Mr David Arnonovitch, president of the National Union of Students, said students were "exceptionally enthusiastic."

Both Mr Lea and the representatives of the various youth groups—including the British Youth Council, the National Union of Students, the Afro-Caribbean Organisation and Youthaid—stressed that the campaign was broadly based and took in young people "of all opinions."

Ms Clare Short, director of Youthaid, said: "Things are now so bad that all we can offer young people is a chance to organise."

Mr Lea said that there were some 1m unemployed under the age of 25, and that one in every two school-leavers would be without a job when they left school this year. There was a rise in the number of long-term unemployed among young people.

Machine tool orders

THE ...DISASTROUSLY ...low level of orders taken by the machine tool industry continued to decline steadily in May, despite the improvement for the engineering industry as a whole.

...Between February and May sales fell by 10 per cent and orders on hand fell by 3 per cent, according to figures published in British Business, the official magazine of the Department of Trade. ... ...

Vickers da Costa £4.2m 'buy out' plan revealed

BY CHRISTINE MOIR

THE DIRECTORS and staff of Vickers da Costa, the stockbroking firm which specialises in the Far East, are to put up £1m of their own money as part of a £4.2m "management buy out" of the firm backed by eight institutions.

Detailed plans for the formation of a new holding company for the stockbroking firm were announced yesterday together with profit figures for the nine months to the end of May.

As a result of what Sir Kenneth Berrill, chairman of da Costa, called "exceptional turnover" in Hong Kong and Tokyo, pre-tax profits for the nine months were £1.29m, £200,000 greater than for the whole of the previous year.

Sir Kenneth announced in June that the firm was looking for a new capital structure which would put control back into the hands of the present management, rather than in the hands of former directors who had retired.

Yesterday the details were spelled out. A new company, Vickers da Costa Holdings, will buy out the existing shareholders—among them Mr Ralph Vickers, the immediate past chairman—for £4.2m. This represents 135p a share, compared with the last registered price at which shares changed hands of 90p.

The money is to be raised from the existing management and eight institutions, including two Oxbridge colleges.

The management will buy 1.16m ordinary 50p shares in the new company at 80p each, which will raise £930,000. The institutions will subscribe for £625,000 of convertible preference shares, which can be converted after seven years on terms relating to the firm's profitability at the time.

At the start, therefore, the mangament—whom are all members of the Stock Exchange—will control all the equity. On full conversion of the preference shares, they will end up with at least 50 per cent and at most two-thirds of the voting capital.

In addition to the preference shares, the institutions will also take up £1.75m of loan stock the interest on which will rise from an initial 11 per cent to a maximum of 16 per cent at the end of seven years.

Finally, the new company will arrange a £1.5m loan, either from its bankers or from its highly profitable Hong Kong subsidiary. In total the new company will have a capital base of £4.8m.

The institutional backing for the scheme has come largely from Candover Investments, the venture capital organisation headed by Mr Roger Brooke, and some of its shareholders: Industrial and Commercial Finance Corporation, Electra Investment Trust, trusts managed by Murray Johnstone, Prudential Assurance, and Edinburgh Fund Managers.

St Catherine's College, Cambridge, where Sir Kenneth was once Bursar, and which is at present da Costa's only institutional shareholder, will subscribe. Nuffield College, Oxford, a long standing client of da Costa, will also subscribe.

The details of the buy out have yet to be formally approved, but holders of 75 per cent of the existing capital have already agreed to it.

They will receive a final dividend of 3p for the year to August 31, bringing the total to 6p, a 50 per cent increase from last year, although net earnings per share are not likely to match the growth. The company already has tax liabilities for the nine month period of £617,000, compared with £261,000 for the whole of last year, because of high tax rates levied on the Tokyo operation.

THE WEEK IN THE MARKETS

Old favourites laid to rest

LONDON

ONLOOKER

The current three-week account is turning into something of a roller-coaster. Having caught the jobbers on the hop with enthusiastic buying in the previous week, trading during most recent sessions has *resumed its summertime doze.*

Market men have been able to put two long-runners to sleep. Ofrex finally succumbed to the charms of big-bidding tobacco group, Gallaher and Dennison, the determined U.S. counter-bidder was able to pocket £3m on the deal by selling its Ofrex shares to Gallaher.

And the old system of money market control, when Minimum Lending Rate was plain for all to see was also laid to rest.

Airlines were in the news with the announcement that Pan Am has been obliged by its bankers to put its Intercontinental Hotels chain up for sale. Grand Metropolitan was first at Pan Am's door with an offer which was quickly accepted.

Guthrie Corporation, too, was busy in the U.S. with a £38m deal which adds Page Airways to its growing portfolio of North American operations. Page does not fly jumbos, however, but it has carved out a profitable business selling and servicing Beech aircraft to growing numbers of busy American executives frustrated by the cutback of internal airline flights.

United Scientific Holdings came back from suspension having digested the Alvis acquisition from BL, paying £27m for this armoured vehicle manufacturer and raising a like amount via a rights issue to fund the deal. The market added the numbers up, liked what it saw on the bottom line and USH shares fairly flew on re-flotation.

Most of all, though, the London stock market has been watching the dollar/sterling exchange rate. The pound has been holding its own bravely and gilts gradually shedding fears of higher interest rates, have found the nerve to edge forward again.

Unscrambling Shell

Shell's figures are always difficult to interpret; anything which comes in three layers is unlikely to be understood on sight. This time, the second quarter figures look grim, but are not nearly as horrific as a drop reported in net income from £680m (a year ago) to £164m would seem to indicate.

The recent rise in the U.S. dollar has affected the figures in opposite directions. The rise in *the dollar has lifted the price* of oil in other currencies, resulting in a stock profit of £235m; last year it was £150m. But the FAS 8 adjustment required by the U.S. accountants has given rise to a swing between the two periods of minus £412m.

In the first quarter of this year, Shell had an underlying net income—what it earns after stripping out both the stock profits and the currency adjustments—of £171m. This second quarter is an improvement on that, at £251m, but well down on the second quarter of 1980 when underlying profits were £440m.

There is an additional complication, however. Shell has decided to revise its treatment of tax as it affects loss-making subsidiaries (such as the downstream operations in Europe). Loss-makers now get tax credits, which boosts the underlying *level of income.* But the FIFO/current cost stock adjustment falls. Thus first quarter reported net income is unchanged but on the new basis underlying profit rises to £256m. That interpretation of events—which Shell feels is more realistic than the previous one—leaves the first and second quarters of 1981 more or less the same as each other.

Trading is thus pretty flat, at little more than half the 1980 level. But the erosion of margins seems to have been stemmed, and Shell seems to be heading for underlying net earnings of £1.1bn this year, against £1.5bn. Better things should be in store for 1982.

Unilever upturn

The traditional view of Unilever as a safe, stolid profits source, chugging along across the five continents in a multiplicity of *safe, stolid food staples has* taken quite a knock in the last six months.

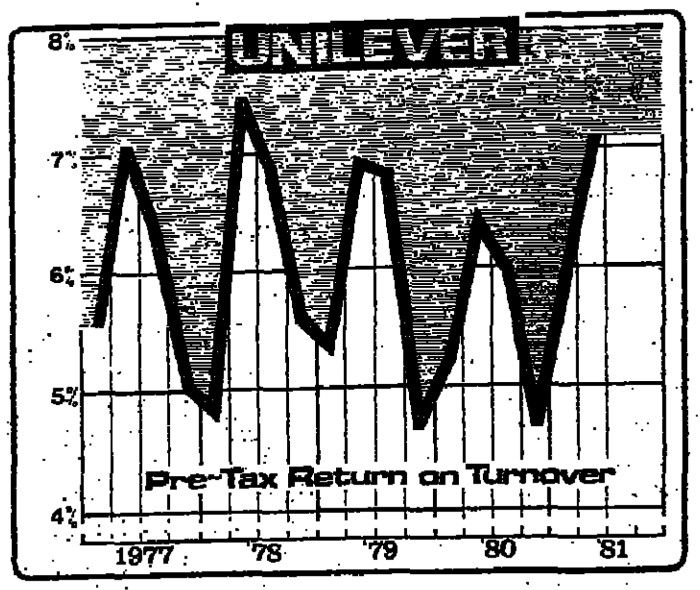
First, the Anglo-Dutch giant did the unthinkable at the end of the last financial year when *it cut the* dividend it pays in sterling to match the distribution it makes in guilders. It has, however, been redeeming itself ever since with far from stolid growth. Profits in the first quarter of 1981 climbed 29 per cent to £161.1m *although much* of the gain was attributed to a number of extra trading days by comparison with the same period of 1980. The exclusion of this artificial benefit would have left Unilever with unchanged sales volume and maintained margins.

The second quarter results, announced during the week, were almost as good but there were no extra working days this time. Pre-tax profits rose by a quarter to £203m and, most importantly, its operating margins climbed from 6.4 per cent to 7.2 per cent which was the highest quarterly figure recorded since 1976.

The group's industrial interests such as chemicals and packaging have not been able to escape the recessionary tide. But the European consumer products have picked up well from *the depression of second quarter* 1980, when their contribution was a tenth below that of the comparable months of the preceding year. The best part of the upturn came from Unilever's interests in Asia, South America and Australasia although, in the U.S., the group is still batling to promote the Shield soap range.

The growth in margins now seems to have been halted by the rise in the dollar, which is lifting material input costs such as petrochemicals for the important detergent business and edible oils. Price increases may help but the European consumer operations are more likely to see a fall in the pre-tax profits return on sales than a further improvement in the third quarter.

The stock market is now confident that the 1980 cut in sterling dividends will be made good this year but, after 25 per cent outperformance since the end of April, the shares are now expected to mark time over the short term.



Provident prompting

The announcement on Monday by Winterthur Swiss Insurance that it was bidding for the 75 per cent of Provident Life Association which it did not already own came as something of a surprise and—perhaps a disappointment. After all, the insurance sector has been seething with rumours of a foreign bid ever since Allianz acquired a near 30 per cent stake in Eagle Star back in May. But the foreign predators were expected to go after much bigger game than Provident Life, which has a life fund of only £100m and non-life annual premium of only £4m.

But there are other peculiarities in the Winterthur offer which look strange to those well versed in the unwritten rules of the takeover game. Provident Life is essentially a family business, with 40 per cent of its equity held by ex-Tory minister John Profumo and various members of the Profumo family. And the staff pension scheme holds another 7.4 per cent. So if any bid is to succeed, it needs the blessing of this company in which case it would be a foregone conclusion with Winterthur's 25 per cent added.

But Winterthur made its announcement of a pending offer without first making any formal approach to Provident, even though both sides claim cordial relations and Winterthur has a seat on the Provident board.

Then Winterthur stated that its offer of 320p per share, valuing Provident at £15.2m, was its final offer. Thus under the Takeover Panel rules, Winterthur cannot increase its offer unless another bidder enters the field.

This made Provident's defence easy and predictable. *It simply stated* that the value of the offer was too low. Since it is virtually impossible to put a precise value on life company shares the sums can be made to fit a wide range of values. One stockbroker valued Provident at £20m. No doubt Winterthur will justify its value in the offer documents and Provident will show equally well why the price is too low. The share price rose 114p on the offer and now stands at 330p.

Provident in its initial defence statement indicated that it was open to offers from other institutions, even though *one impression is that the company* would be quite happy to carry on in its own quiet way.

Dale's doldrums

Generator sets have been in chronic surplus on the international market. Ever since the rise of sterling began in 1976, UK manufacturers have been trying to sell on price in foreign markets and finding the *going rather tough.* The strongest competition has come from the U.S., and has crawled all over some traditionally British markets, especially in Africa and the Middle East.

Since the dollar has boomed, in the past few months, the tactical position has reversed itself. Shares of Petbow (one of the leading UK producers) have risen by 95 per cent this year, even though Petbow has yet to return to profit.

There has been no such movement in the shares of Dale Electric International, the other independent UK manufacturer. One reason is that the shares did not take quite such a tumble in 1980; they were already anticipating a recovery which has yet to come through to the profit and loss account.

In fact, this week's figures show that a 60 per cent fall in pre-tax profits *last year was* followed by a further 65 per cent fall this time. But the order book is twice the size it was a year ago, at £27m, and overheads have been cut since then by about 20 per cent. Those figures, combined with the improvement in exchange rates, may mean that the recovery could actually occur this year.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1980-81 High	1980-81 Low	
F.T. Ind. Ord. Index	561.5	−11.0	597.3	446.0	Absence of fresh support
Amalgamated Metal	383	+83	390	223	Possible min. bid from Preussag
Blue Circle	492	+14	496	326	Int. results due next week
Bougainville	98	−13	112	76	Int. div. cut/profits decline
BP	320	−18	415	278	Failure of OPEC talks
De Beers Defd.	395	−18	422	340	45% fall in ½-year profits
Ductile Steels	78	+16	81	42	Dawn raid at 78p by Caparo
Equity & Law	428	+24	430	284	Bid hopes
Extel	247	+17	248	159	Investment recommendation
Geevor Tin	165	+15	165	98	Strength of tin price
Grand Metropolitan	202	−17	222	138	$500m hotels purchase
Hoover A	100	−9	163	98	Recent poor figures
Provident Life	330	+114	340	186	Bid from Winterthur
RTZ	591	−42	633	372	Fading bid hopes
Shell Transport	392	−28	470	331	Half-year figures
Siebe Gorman	193	+20	194	156	Bid speculation
Sumrie Clothes	60	+14	65	21	Speculative demand
Sun Life	330	+18	335	233	Bid hopes
Unilever	637	−27	652	438	Good 2nd-½ figs.
Wholesale Fittings	225	−38	265	210	Annual results

A dismal week

NEW YORK

PAUL BETTS

IT WAS PROBABLY the worst week of the year for the stock market. The latest economic news from Washington was gloomier than ever. Corporate profits in the second quarter fell by 11.3 per cent. GNP declined 2.4 per cent in the same period. The Dow Jones Industrial Average hit its lowest level since the beginning of the year. And finally the great merger fever which had helped to prop up a moribund market evaporated.

Of all the events which marked this dismal week for the market, perhaps the most dismal of all was the apparent end of the remarkable wave of speculation in the oil sector. For weeks now the market had been distracted and excited by the frenzy caused by the giant takeover battle for Conoco.

Although the curtain finally fell last week on the battle for Conoco with Du Pont emerging as the winner, the market had been looking at other possible oil takeover targets. But the bubble now seems to have burst.

It burst this week on the American Stock Exchange, the smaller of the two New York Stock Exchanges, in the shape of Delhi International Oil. For months Delhi was a go-go stock. Ever since last December, the Dallas-based oil company said it was on sale. This led to a sharp run up in the company's stock which was trading as low as \$17¾ last year and had steadily climbed to more than \$110.

Last April, just before the battle of Conoco got going, Delhi said several potential buyers had expressed "substantial interest" in the company, which among other assets has a sizeable presence in the Australian oil and gas exploration play. Although Delhi at the time warned that it could not give any firm assurance that the possible bids would be adequate, the announcement was enough to fuel even more interest in the oil company.

Moreover, Delhi became caught up in the market's remarkable merger fever as the bidding for Conoco reached unprecedented heights and other major oil companies were securing a massive total of more than \$40bn in new credit arrangements to poise themselves for a takeover binge of unprecedented scale.

But last Thursday—the day the stock market hit its year low with the Dow Jones Industrial Average closing at 924.37—Delhi said it had not found a buyer. In one session alone, Delhi's stock shed as many as 37½ points to close at \$77¼.

This had a ripple effect on other oil stocks seen as potential takeover targets.

All this goes to show the unhealthy state of the market. In a sense, many so-called second-tier oil companies have become the centre of wild speculative activity at a time when little else has been stirring investor interest in the market. They have, until this week, provided some escape from the all-too-gloomy state of the stock market as a whole.

The market's gloomy state of mind did not change much this week. *If anything, it got worse.* The basic problem is a relatively old one. The market is looking for a lead player to create a market, but no sector seems in a poistion right now to give the sort of leadership Wall Street is craving for.

It is hardly surprising. Once again, there were more signs that interest rates will continue to remain high and volatile. The bond market is increasingly struggling under the weight of the Treasury's voracious borrowing appetite. The stock market, which for weeks has been looking for an encouraging signal from the bond market, continued to be depressed this week as the Treasury sold its latest issues at substantial yields reflecting the general difficulties of placing new issues in this kind of climate.

Then came some stark reminders of a slowdown in economic momentum with the corporate profits data for the second quarter and the 2.4 per cent adjusted GNP decline. Making matters worse, the GNP deflator was up from a preliminary estimate of 6 per cent to 6.6 per cent. And despite signs of a general economic slow down, the Fed made it clear again this week it had no intention of easing its current tight monetary posture. Indeed, Mr Paul Volcker, chairman of the Fed, went on television on Thursday night to emphasise that the Fed had not changed its policies after the Fed Open Market Committee meeting on Tuesday.

A telling sign of the general state of the market was the decision of MGM Film Company to cut back drastically a proposed stock offering which came to market yesterday.

MONDAY	926.75	−10.18
TUESDAY	924.37	−2.38
WEDNESDAY	926.46	+2.09
THURSDAY	928.37	+1.91

Expenditure and subsidence

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Referring to your comments under Expenditure and Subsidence in Finance and the Family, June 20, part of the stone boundary wall on the north side of my property subsided and had to be rebuilt. The Customs and Excise have claimed VAT amounting to £1,400.

The wall supports the house, paths and garden, as well as forming the boundary. Some 41 feet had to be rebuilt and the County Council insisted that the work comply with present day standards which meant a much more substantial construction being four feet in thickness at the base.

No materials from the demolished section of wall were re-used, the new length being built on concrete foundations and faced with local stone, required as the property is in a conservation area. No work was necessary *to the house but part of the* garden and lengths of path had to be reconstructed. The work had to be executed with care to preserve an ancient water tower which forms part of my north east boundary.

***What, please, is your view of* the position?**

On the basis of Lord Denning's judgment in the ACT case we would argue that the cost of rebuilding that part of your boundary wall which could have *affected the house should be* zero rated. The work connected with the water tower might also be zero rated. The rest of the work should be liable to VAT. We should point out that the ACT case is going to the House of Lords and it remains to be seen what the judgments in that court will be.

Joint ownership valuation

My sister and I own our house as joint tenants and we have building society deposits repayable to "either or survivor." At my death, would half the value of these be added to my estate when assessing any liability for Capital Transfer Tax or would they escape aggregation for probate purposes?

Although the title to both the house and the deposit account will accrue to the survivor automatically on the death of one joint owner, the value of the share in equity which accrues (usually a half-share) is added into the value of the estate which is transferred on death for the purposes of Capital Transfer Tax (though not for probate).

Liability to rates

I refer to your replies on the subject of rates in your issues of May 2 and July 11. In these you said that the liability to rates "dates back to the commencement of the rating *period" and that the same* principle applied to water rates. My own researches point to a different conclusion. The latest edition of RAYNE on the subject states "The demand may be made at any time and *not necessarily within the* period of the rate" and quotes the case of GILL and MELLOR 1924 1KB9Y. Could you please explain this apparent difference?

A distinction must be drawn between the liability for the rate, which arises on the making and publication of the rate; and the demand, which is merely a condition precedent to enforcement by distress. Although the demand may, as you correctly state, be made in respect of a past rating period; no liability arises for premises not in the valuation list... and... when premises come into the list the liability cannot antedate the commencement of the rating period during which the premises are placed on the list (or come into occupation). That is a different matter from the late demand for a rate where the hereditament has appeared in the rating list at all material times—there the fact that a demand is made late will not invalidate the demand, nor will it cancel the liability to pay the rate which existed before the demand was made.

Calculation of interest

I propose to borrow £25,000 *from my mother-in-law to* purchase some land on which I shall build a house. Interest is to be the rate currently being paid by the Building Society Association, since this is what my mother-in-law would effectively lose by granting me the loan. Should the agreement be for the grossed-up amount of interest, and what is the most advantageous way of doing this from the tax point of view?

Since you will be using the services of a solicitor in purchasing the land, it would be prudent to seek his or her guidance through the legal and taxation aspects of financing the proposed transactions. To get an idea of the complex tax rules, you should ask your tax inspector (or any convenient tax inspector's office) for a copy of the free booklet, IR11, entitled "Tax treatment of interest paid," which you have no doubt seen recommended in our columns from time to time.

Interest on the loan will be payable without deduction of tax (on the assumption that your mother-in-law lives in the UK), and so the rate of interest should indeed be about ten-sevenths of the rate paid on building society share accounts. Your solicitor will be able to suggest a suitably straightforward form of words to meet *your broad intention.*

Collection of small debts

***A small firm has £15 of mine* for turf they did not deliver by an agreed date. What please is the procedure to collect such small debts through the new simple court arrangements?**

Your simplest course is to issue a default summons in the County Court: but it may be necessary for you to attend to prove your claim.

Value of an estate

I was somewhat puzzled by your reply under "Value of an Estate" (July 18). Suppose a man has investments worth £120,000 and a house worth £40,000 which latter he owns jointly with his wife. If his will states that half his estate other than the house will go to his *wife and the other half to his* children equally, then what would be the position, if he predeceased his wife, with regard to (i) probate value, (ii) C.T.T.?

The value of the estate would be the same whatever the dispositions of it which the testator makes in his will. The probate value would exclude the notional half share in the house. In the case of C.T.T. the value would include the share in the house; but if the will is aptly worded to pass to the children only half the value after leaving the house out of computation, it is only that sum (ie £60,000) that Capital Transfer Tax would fall to be computed.

Letting rooms

I have decided to let some of the rooms in my home, and obtained from the DOE the booklets "Letting rooms in your home" and "Notice to quit." These have proved very helpful with one exception, the construction of a "Notice to Quit." As I understand it, this must contain certain vital information before being served on a tenant. Would it be *possible to give the wording* that should be used in a "Notice to Quit" in order to meet the legal requirements?

To Mr C.D.

Sir,—I D.J.M. of......................, hereby give you notice to quit and deliver up possession of the (house, flat, etc) and premises situate at (address), which you hold of me as tenant, on the ... day of .... 19..., or at the expiration of the week of your tenancy which shall expire next after the expiration of four weeks from the date of service upon you of this notice.

The information prescribed by the Notices to Quit (Prescribed Information) Protected Tenancies and Part VI Contracts) Regulations 1975 is contained in the Schedule hereto

Dated the .... day of .... 19.... (Signed) D.J.M.

SCHEDULE

PRESCRIBED INFORMATION

1—Even after the notice to quit has run out the landlord must get an order for possession from the court before the tenant can lawfully be evited.

2—If the tenancy is a protected tenancy under the Rent Acts, *the court can normally* give the landlord such an order only on the grounds set out in those Acts.

3—Where the tenancy is not a protected tenancy, the tenant may be able to ask the rent tribunal to postpone the date when the notice to quit runs out for up to six months, as long as he does so before the notice runs out.

4—If the tenant does not *know whether his tenancy is a* protected tenancy or is otherwise unsure of his rights, he can obtain advice from a solicitor. Help with all or part of the cost of legal advice and assistance may be available under the Legal Aid Scheme. He can also seek information from a citizens' advice bureau, a housing aid centre, a rent officer or a rent tribunal officer.

The plush wears a little thin

MINING

KENNETH MARSTON

EVERYBODY knew that the plush and intriguing world of diamonds was going through hard times, just like so much else these days.

After all, it was only a few weeks ago that the South *African De Beers'* Central Selling Organisation (CSO) announced a 41 per cent fall in the value of its sales of rough (uncut) diamonds to R747.6m (\$940.5m) for the first half of this year.

In fact, the rot had set in by the middle of last year when the world economic recession hit a diamond market which had become overstocked.

To make matters worse, the holders of diamonds—both of roughs in the cutting trade and of polished goods in the hands of investors—were knocked sideways by accelerating interest rates; you need to borrow a lot of money to stock *up on diamonds.*

So the CSO sales, which had reached R1.27bn (£734m) in the first half of 1980, fell away to R874.4m in the second half of the year. At the same time the stocks of rough diamonds held by the CSO *climbed* by 70 per cent to a record R698m by the end of the year.

The CSO, which handles the marketing of over 80 per cent of world gem and industrial diamond production on behalf of De Beers and other diamond miners, guarantees to buy a minimum quantity of their production whatever the state of the market and it does not cut its prices.

Against this background, the half year results of De Beers were obviously not going to look too bright, despite the expected rise in income from the group's gold mining investments.

But the sharemarket caught its breath this week when the diamond giant announced that its earnings for the period had slumped to R254m, equal to 70.6 cents per share, from R414.5m in the same period of 1980 when the year's total came out at R853.8m.

What of prospects for the current half year? Again, not too rosy is the verdict. For a start, the gold mining income may tail off with the fall in the bullion price but, much more importantly, the market for diamonds generally remains weak.

This is particularly noticeable in the case of the higher quality and expensive polished *gems that are often held as an* investment. High interest rates have had a very depressing effect there.

The famed and rare, top quality D-Flawless stone of one carat, for instance, which would have cost over \$60,000 in the boom days of early 1980 could probably be bought now for about \$33,000 while a seller would be offered much less.

But all is not gloom. Jewellers report a good demand for the smaller and cheaper polished goods. This is helping to move the stocks built up at the cutting centres and eventually it will lead to increased buying of the roughs by the cutting trade.

In fact now may be a good time to buy diamond jewellery because the market appears to have bottomed. Prices of some of the smaller diamonds have already started to rise and tax cuts in the U.S. coupled with the hoped-for improvement in the economy there could lead to a merry Christmas for the jewellers.

De Beers may be feeling the pinch at the moment, but it is far from being broke and the cautious dividend policy should ensure the 1981 payment being held. Furthermore, the big diamond stocks will become a very valuable revenue producer when the eventual full market recovery comes. But it will not happen overnight.

Another precious commodity which has fallen from grace is, of course, gold. The metal price has improved further this week to \$434 per ounce at one time, but this is still little more than half the peak level reached in January last year.

Most observers feel that the rally will be short-lived and may expire at around the \$460 level, but many of the same observers were saying only recently that *prices would drop* to around \$360. Nobody really knows, of course, but so far the price has averaged \$408 in the current quarter.

This compares with an average received by the mines in the previous quarter of \$485, a fall of just on 16 per cent. So unless the current rally in gold prices is sustained we are heading for lower September quarter earnings from the South African *gold producers.*

However, it is worth bearing in mind that a strong U.S. dollar helps them because the stronger the dollar the more they receive for their gold when the dollars received are converted into South African rands.

In the first half of this year, for instance, the dollar price of gold fell by 30 per cent whereas the rand equivalent was down by only 15 per cent.

In the present quarter to date, compared with the previous three months, the rand gold price has fallen by two-thirds as much as the dollar price. Even so, gold share prices have been moving up strongly and look to be high enough for the time being.

The Australian gold mines have been relieved this week to learn that the Federal Budget has not, as was feared, reintroduced taxes on gold. Gold tax liability was removed in the days when low gold prices were putting the industry's survival in doubt.

Everybody tends to criticise taxation, but there is a good deal to be said for South Africa's "Robin Hood" system which also recognises the fact that mines are wasting assets. *Thus, gold mines there* are allowed to recoup their capital expenditure before the profits are taxed.

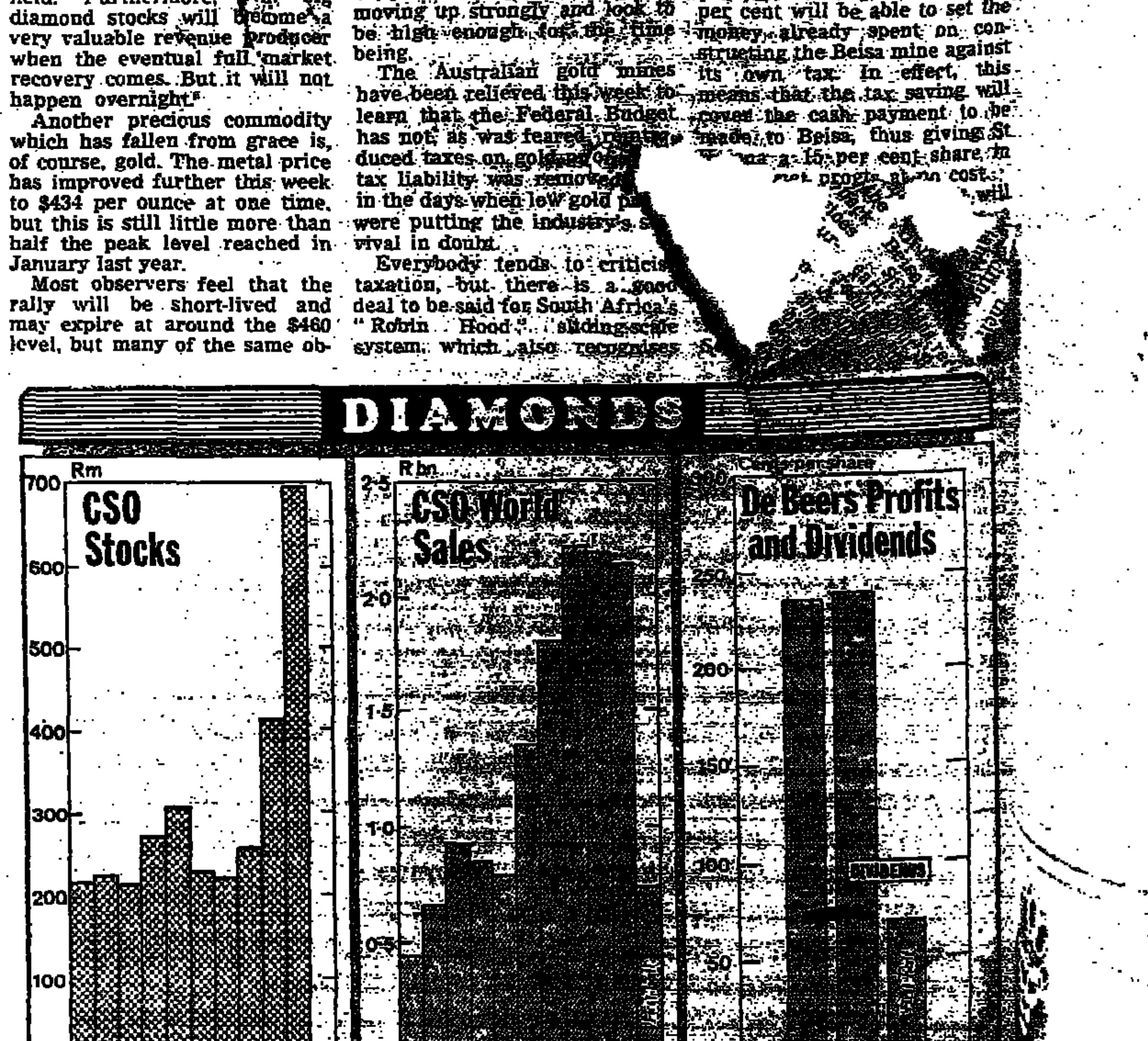
Advantage of this has been taken by the Gencor group's St Helena gold mine which intends to take over its stablemate the new R180s (£104m) Beisa Mines which is due to start uranium production shortly.

Beisa was to have been *financed largely by an offer of* shares, but with the uranium market in the doldrums it is unlikely that there would be any rush to buy them.

So the plan is that St Helena will take over and operate Beisa, paying the latter a royalty on the gross revenue from mining operations.

The price to be paid by St Helena for the mine will be satisfied largely by giving Beisa 85 per cent of the distributable profits by way of dividends. The balance of the purchase consideration will be provided by a cash payment.

However, St Helena which is paying tax at the rate of 60 per cent will be able to set *the* money already spent on constructing the Beisa mine against its own tax. In effect, this means that the tax saving will cover the cash payment to be made to Beisa, thus giving St Helena a 15 per cent share in net profits at no cost. ... will



YOUR SAVINGS AND INVESTMENTS

Tim Dickson comments on a letter which could affect all unitholders' interest

Laying down the Law

Mr Mark St. Giles

PROPOSALS DESCRIBED this week by Mr Mark St. Giles, chairman of the Unit Trust Association (UTA) as "morally dubious" are currently being circulated to leading unit trust groups by a major insurance broking firm.

Towry Law, one of the biggest life insurance brokers in the country, has written privately to a number of unit trust managers setting down what amount to new conditions for doing future business. The implication of the letter is that groups which do not comply are unlikely to sell units to Towry Law clients.

In particular Towry Law would like unit trust management companies:

● Not to offer its clients the ability to switch funds without first telling Towry Law, and

● Not to offer these clients units in a new fund on a basis which reduces commission payable to Towry Law.

Marketing units direct, argues Towry Law, "can only cut across the overall advice we are giving clients which very often co-ordinates unit trusts, insurance bonds, life insurance investment schemes and other financial planning areas."

The letter, which is signed by Mr Richard Cockroft, Towry Law's group managing director, also asks managers if they would be prepared "to advise us when you considered it right for the client to switch into another sector i.e. to sell his existing units and buy units in another of your funds?"

Towry Law was one of the first financial services groups formally to specialise in unit trust selection for individual investors. Five years ago when the company started this activity, switching advisers were comparatively small fry but they have recently assumed an increasingly important role in the investment management industry.

The proliferation of specialist funds in the last few years has understandably confused small investors, many of whom have gladly sought refuge with those who claim to know a good way through the maze.

Some, like Towry Law, offer a non discretionary service—in other words the client is consulted at each stage. Others provide discretionary management effectively operating their own portfolio of funds.

Today many unit trust groups reckon that anything between 60 and 80 per cent of their new business comes through intermediaries, rather than directly from the public.

This naturally puts advisers in a very strong position, though in an effort to avoid conflicts of interest the UTA controls the level of commission that its members can pay. The scale allows most professional agents (stockbrokers, insurance brokers, accountants, etc) a reward of 1¼ per cent of the value of new units but certain "approved intermediaries" are permitted a further "marketing allowance" bringing the total to 3 per cent plus VAT. This, incidentally, comes out of the 5 per cent initial charge to investors which is subsumed in the bid to offer "spread."

Towry Law is trying to take this dependence on the intermediary a stage further. According to Mr Cockroft, its new subsidiary Towry Law Investment Services is aiming "to improve the services available to our unit holders on the non-discretionary basis. We are taking this opportunity to review the unit trust management groups and unit trusts which we support."

Behind this apparently harmless exercise lies a much more radical principle. As the letter states, "we wish to support principally the groups who have a system whereby Towry Law can be noted for the future as the introducing agents."

This, as Mr St Giles explains, is how insurance companies operate. "If Mrs Smith takes out a life policy with life company A on the advice of insurance broker Jones, insurance broker Jones receives commission on all policies taken out by Mrs Smith in the future regardless of whether she uses his services or not."

Besides pointing out that this sort of administrative system would be too costly for most unit trust groups to offer, Mr St Giles suggests there may be other objections to the proposal. "A unit trust investment," he says, "is different from a life insurance contract. Units can be bought and sold at anytime and while we welcome the role of advisers we do not see the unitholders they introduce as exclusively their clients."

Although financial advisers ought to know everything about their clients' affairs to be able to offer sound advice, Towry Law's demands are unreasonable for the following reasons:

● The suggestion that unit trust groups should stop switching by Towry Law clients on their own initiative would deprive these unitholders of the discount (commonly around 2 per cent) offered by most managers to individuals "staying within the fold."

The Towry Law letter implies that its arrangements will secure good terms for unitholders. As one manager said not enough money to reward the this week, however, "there is intermediary and offer a discount."

● The same point applies to special offers of units in a new fund. Towry Law argues that to get a new trust going managers often do pay commission as well as offering a discount. This, however, is by no means invariably the case.

● Finally, by asking managers if they will advise when the time is right to switch, Towry Law seems to be asking unit trusts to do their donkey work. This trend has apparently increased, but unitholders may wonder why they are paying for a service part of which they could get direct from the unit trust manager. It also raises the question of whether unit trust management companies should effectively be "tipping" particular funds.

When you feel you want to stay

NOT everybody wants to stop working at 65 (or 60 in the case of a woman). But unless you are a key employee, the chances of continuing in employment after normal retirement age are very slim, even though you may be fit, able and willing to carry on for a few more years.

If, however, you can manage to persuade a UK employer to let you stay on, you should consider whether the increase in pension granted for deferring retirement, both from the State and the company scheme, adequately reflects staying at work.

The State scheme is more accommodating to employees wishing to defer retirement than it is for those who wish to retire early, as we discussed last week. Both men and women can defer retirement for up to five years—that is up to 70 for men and 65 for women. The employee ceases paying National Insurance, though his employer must still pay, but the real value of the pension will be increased by about 7.43 per cent of the normal retirement pension for each year deferred. (In reality it is increased by 1/7p for each £ of pension for each week that retirement is deferred.)

On the rates applicable from November—and assuming unchanged levels—the basic single pension of £29.60 per week paid at age 65 for men (60 for women) rises to £40.59 per week for retirement at 70 for men (65 for women). At these latter ages, the employee has to start drawing his pension even if he has not stopped working. The final pension paid of course will also have benefited from the annual increases made in line with the Retail Price Index.

Pension Problems
ERIC SHORT continues his series

Deferring retirement, however, could well mean losing out financially on the company pension, since most schemes adopt a method that is not generous in calculating late retirement pensions.

The usual procedure is for employer and employee to cease paying contributions and to crystallise the employee's pension entitlement at the normal pension age. This pension is increased during the period of deferment to allow, in theory, for interest earned on the fund and the life expectancy at the time of eventual retirement.

The increase in practice may be on a fixed basis, such as two-thirds of 1 per cent of the normal pension for each month retirement is deferred (8 per cent per annum simple). Or the factors may be calculated by the actuary to the pension scheme.

One firm of consultant actuaries, Clay and Partners, has a scale for men with normal retirement age of 65 of 8.1 per cent increases for retirement at 66 rising to 50.4 per cent for retirement at 70.

Consider the following case of a man earning £15,000 at 65 entitled to the full two-thirds pension of £10,000. If inflation is 12 per cent over the next five years his salary will rise to £26,435 by the age of 70. His pension on retiring at 70 is £14,000 (53 per cent of final salary) on the two-third per cent per month basis, or £15,040 (57 per cent of final salary) on the actuarial basis.

More important to the employee, perhaps is that lump sum death in service benefit ceases on deferring retirement. If the employee dies while working beyond the normal retirement age, it is assumed that he retired on the day before he died and the corresponding benefits paid—five years pension, since almost all company pensions are guaranteed for five years, plus the widow's pension.

The employee can, of course, commute part of his pension for a tax free lump sum. He can commute at age 65, even though he is remaining at work, up to Revenue limits and the consequent reduced pension is increased. Or he can commute when he eventually retires for an increased cash sum. In this case the employee has to forego less pension to provide that sum. In the above example he can take a sum of £22,500 at 65, with a pension at 70 of £11,280, or a sum of £32,840 plus pension of £10,702 at 70.

But there is an alternative method which does not involve such a loss. The Revenue will allow the employee and employer to continue contributions and for the employee to acquire further pension benefits as well as continue to be eligible for the death in service lump sum benefit.

The employee can acquire a pension of up to 45/60ths of final salary at the time of retirement and also increase the amount of commutation from 1½ times to 135/80ths of final salary.

In the above example, if the scheme adopted this alternative, the employee at 70 could receive a pension of £19,525 or a lump sum of £44,609 plus a pension of £14,107.

Why are we waiting?

"It really does seem to me extraordinary that a company of the financial strength of Great Universal Stores does not pay an interim dividend until after the end of its financial year and even more extraordinary that having announced the final dividend some 3.5 months after the end of that year, it takes more than another five months (5.23 months) to pay it!"

(Letter from Mr Gordon Pingstone, FIA.)

HOW LONG should a company keep its shareholders waiting for their dividends? How long do companies usually hang on to what shareholders, not without reason think of as *their* income?

A survey of some of the leading companies whose shares go to make up the FT Industrial Ordinary Index—Allied-Lyons, Boots, GEC, ICI, Imperial Group and Marks and Spencer as well as GUS showed that waiting periods could vary quite a lot. But they were seldom short. Here are some average times (in months):

End of reporting period to corresponding payment: 5.012857.

Interim statement to interim payment: 3.16.

Year-end to preliminary statement: 2.62.

Preliminary statement to final payment: 2.38.

There are practical reasons for these apparent longeurs. In a very large company—all the companies in the list have turnover which is easiest counted in billions—the exercise of compiling the annual accounts is bound to take several weeks. Again, the gap between preliminary annoucement and final payment must at least be long enough—two to three months is considered reasonable by stockbrokers—to allow for the re-registration of shares which have been sold cum-dividend.

It is at first sight surprising that it takes companies longer to pay the interim than the final (once the respective announcements have been made). he reason is that although interim figures can be prepared much more quickly, companies like to keep their payments evenly spaced; if the final is going to take five months (for practical reasons) so must the interim.

Mr Pingstone does seem to have a point. GUS is exceptionally slow, notably in the rather stately progression from its preliminary figures in July to its final dividend in December. This is over two and a half times as long as the average for other six companies.

● The case for GUS was put by Mr Harold Bowman, a director.

● GUS is much more complex in accounting structure than, say, Marks and Spencer (which is, indeed, much quicker). A quarter of GUS's income arises in a multiplicity of overseas subsidiaries: consolidating their figures—prepared in accordance with different local accounting practices—is very time-consuming.

● The preliminary announcement is truly preliminary: a great deal of the consolidation remains to be done afterwards, without which the accounts could not be audited and the annual report prepared.

—GUS's mail order catalogues could not work without it—8.74 months nonetheless seems rather a long time in which to construct even the most complex set of accounts and hold an annual meeting.

But it is hard to see what harm shareholders are done by their wait. GUS has followed this pattern for many years; the payments may come long after they have been earned, but they are precisely 12 months apart.

Speed is not everything. ICI's final dividend this spring took only five weeks to arrive. But it had been cut.

Jeremy Stone

Introducing drop-lock

INVESTORS will now have to add a new phrase to their vocabulary—the drop-lock stocks. The £75m Birmingham Council 1986-93, launched on the Stock Exchange this week is the first of what could be a flourishing new breed.

In the past the term drop-lock has been confined to the arcane banking halls where it usually describes an issue tied to a floating rate of interest which can be turned into a fixed rate loan if rates fall beneath a certain minimum level.

The £75m stock from Birmingham Council, the second largest local authority after the Greater London Council, is novel in that it is linked to the yield for British Government Stocks.

It is the largest issue of drop-lock stock ever made by a local authority and has been underwritten by merchant bankers Morgan Grenfell.

It has several new features. These include its sale to the public, its quotation on the Stock Exchange and a trigger mechanism which means that once the gross redemption yield on gilt-edged stocks reaches a certain level, the return is automatically fixed for the next seven years.

The advantage to the individual investor of the drop-lock stock according to Morgan Grenfell is "capital certainty" plus "a measure of protection against falling interest rates." In addition, the stock is a highly liquid asset as it can be traded on the Stock Exchange for cash settlement.

The stock was offered in units of £100 with £40 paid initially and the remainder due by November 20. The interest rate will be ¼ per cent above six months London inter-bank offered rate (LIBOR) for sterling deposits. The first payment represents an interest rate of 15 per cent.

The stock will be redeemed at par, together with the last interest payment, on August 21, 1986 unless before May 21 of that year the drop-lock is triggered. This will happen if seven year British Government Stocks yield 12.75 per cent for three consecutive weeks. In this event, the stock will become fixed at 13½ per cent with a seven year maturity.

Morgan Grenfell argues this stock provides a better rate of return than on a bank deposit or building society account as its interest rate is above money market rates whereas most financial institutions offer rates below money market rates.

In addition, the merchant bank says the stock is an "each-way bet on interest rates." If rates go up it floats up with them giving investors the full advantage of the change, whereas if rates go down they have a guaranteed income of 13½ per cent.

Morgan Grenfell also points out that with a Stock Exchange quote the stock will be highly liquid as it can be sold for cash (next day) settlement. Until the locking event has occurred it will be dealt as a "short," which means stockbrokers' commission will be at their discretion and prices will be exclusive of accrued interest. Commission should be no more than £5 per £1,000 and if you are a regular client it should be less.

Investors who choose this stock in preference to a straight forward gilt edged security will forgo a capital appreciation if interests rates fall—but given the recent disappointments in gilt edged, that is not something that everybody is prepared to bet on.

Rosemary Burr

New window on home income plans

A NEW home income plan, which offers higher income to the elderly homeowner than is currently available, is being launched by Lincoln-Abbey, a Manchester based firm of life and pension consultants.

For many elderly people, their main asset is the home in which they live, an asset which has steadily risen in value over the years but which does not provide any income. Home income plans enable them to get an income by taking a mortgage on their house and using the money to buy an annuity. The balance of the annuity payments after the payment of interest on the loan provides the income.

The loan itself is repaid on the death of the homeowner or at any previous time.

On the non-guaranteed basis, if the houseowner dies shortly after taking out the scheme, he or she might receive little in annuity payments while the estate has to repay the loan. This risk can be reduced by taking the guaranteed scheme, though the annuity will clearly be smaller.

The current schemes are marketed by three life companies—Hambro Provident, Save and Prosper and Home Reversions. The basic format of these schemes is that the rate of interest on the mortgages is artificially low, usually on the option mortgage basis, to provide stability and the consequent annuity rate is calculated on this low rate of investment return.

Mr Danny Samuels, of Lincoln-Abbey claims that the new scheme can provide a better income to homeowners using current mortgage interest rates and current annuity rates. He has found one small building society willing to advance mortgages up to two-thirds of the valuation and he uses the money to shop round for the best annuity rate.

Under the Lincoln-Abbey scheme, the interest rates on the mortgage will vary with market conditions, as with any other mortgage. Under the other schemes, the interest payments are fixed. But the Lincoln-Abbey scheme is designed so that the homeowner receives a constant income based on interest rates at outset. If interest rates rise, the excess interest is added to the capital owing and this extra amount will be compounded for as long as the higher interest rates apply. Conversely, if interest rates fall, the overpayment is used to reduce the capital.

Secondly, annuity rates constantly change, so that the income provided on the Lincoln-Abbey scheme will depend on the mortgage rate and the annuity rates on the day the transaction is completed. Rates can change literally daily. The point about existing schemes is that the money used to buy the annuity is effectively invested in the mortgage on which the interest paid is fixed. Lincoln-Abbey is *for the first time* separating the loan and the annuity.

Consider a woman aged 75 living in a house worth £30,000. Under the Lincoln Abbey scheme, she can borrow a maximum of £20,000 on which the mortgage option interest charged is at present 9.95 per cent—against 6 per cent on the other schemes. This will increase her income by £1,388 a year on the non-guaranteed basis or by £1,075 on the guaranteed basis.

This assumes that she is paying basic rate tax, and even if she is not paying tax at present, the income from this scheme plus the basic State pension will put her into this tax bracket.

If she borrows the same amount from one of the current schemes, the best terms, from Home Reversions, will provide an extra £1,116 non-guaranteed or £1,018 guaranteed, paying basic rate tax—much lower income on current rates. However, with these schemes a nil taxpayer may still be able to avoid paying tax, in which case her extra income would be £1,320 non-guaranteed or £1,182 guaranteed. The differentials are less clear cut here.

But if she wants the maximum loan in order to get maximum income, she could borrow £24,000 from Hambro Provident (80 per cent of valuation), giving an extra income of £1,298 non-guaranteed or £1,183 guaranteed, rising to £1,523 and £1,358 respectively if she remains a nil taxpayer.

With the Lincoln-Abbey scheme, the houseowner needs to check the position should interest rates rise. In this example the interest on the mortgage rises to 11 per cent, and remains at that level, the capital outstanding will be increased to around £23,500 after 10 years. This point is very important at times when interest rates are low and thus more likely to rise.

Cecil Hinton, an insurance broker specialising in these plans who provided the comparisons in the table, states that maximising income is the sole requirement for many of his clients and they are not concerned with the size of the mortgage.

The obvious lesson of these figures is not to accept the first quotation, but to go thoroughly into all available schemes, setting out the calculations and above all investigating the tax. Details of the scheme can be obtained from Lincoln-Abbey, 42 John Dalton Street, Manchester M2 6LE.

Eric Short

Eastern promise

ALMOST EXACTLY a year ago clients of stockbrokers Hoare Govett took a near 29 per cent stake in British Industries and General Investment Trust (BIGIT), a little-known and at the time little-loved £8m company. Hoare Govett partner Mr Richard Granville joined the board and it was clear at the time that his firm expected to exert some influence.

Twelve months later the Hoare connection seems to have had some effect. With Mr Granville's enthusiastic support the emphasis on income has been reduced and this has allowed Drayton Montagu, the managers, to increase the Far East content of the portfolio from 11 per cent at the end of last September to around 27 per cent now.

The performaance of the Far East has helped boost the trust's asset value by around 19 per cent over the year, though the continued support for oils in 1981 took away some of the shine. Nonetheless BIGIT's share price has risen by more than 30 per cent over the period, reflecting a reduction in the discount from as much as 35 per cent a few weeks before last year's development to about 20 per cent today.

*

For much of the last ten years Europe has been something of a sick joke for UK investors. Some of the investment trusts launched euphorically at the time of Britain's entry into the EEC have since perished ignominiously while unit trusts specialising in this area languish mostly in the bottom half of the performance tables.

All of which makes Hill Samuel's launch of a new European Trust this weekend a little surprising. Investment will be in leading markets such as Germany and Switzerland, but a substantial part of the portfolio — perhaps 50 per cent — will be in smaller markets like Norway, Sweden and Spain.

There has certainly been plenty of action in Europe this year. The Scandinavian market has been a powerful performer, for example, the Paris Bourse crashed 25 per cent following the election of President Mitterrand, and only last month a wave of selling forced the temporary closure of the Milan Stock Exchange.

Hill Samuel no doubt hopes to attract some of those who think the Far East may be pausing for breath.

T.D.

PROPERTY

The Westminster scene

BY JUNE FIELD

"ONLY ONCE in its history, until the 18th century, do we light upon the Westminster folk. Perhaps there have been, here and there, among them some mute inglorious Whittington—some unknown Gresham," wrote Walter Besant in *Westminster, 1895*, of the desolate site once known as Thorney Island because it was overgrown with briars and thorns. The author was lamenting the lack of prominent citizens, while making the point that the land on which Westminster stood belonged to the Church, and "where the Abbot was king there was no room for the rule of the people."

About 730 AD Benedictine monks founded a small wooden church there, precursor of the Abbey, called West Minster, "monastery to the west of London," the name used ever since; and although the term Westminster now more usually applies to the district immediately around the Houses of Parliament and Westminster Abbey, the City of Westminster covers all the area known as London's West End, taking in Buckingham Palace (once a mulberry garden, then a place of entertainment where cheesecake and syllabub were offered), as well as Pimlico and the high stress areas of North Paddington.

For the City of Westminster, formed in 1965, is an amalgamation of the old City of Westminster (which received the grant of the Royal Charter in 1900), and the Metropolitan Boroughs of Paddington and St. Marylebone, covering 5,344 acres of which 1,164 acres are Royal parks—Green Park, Hyde Park, Kensington Gardens, Regent's Park and St. James's Park. And the City's population, according to the provisional figures issued on the recent census, is 190,661, a decline on the 1971 figures (239,748), and the 271,702 of a decade earlier.

In common with so many other districts, rates are currently a thorny problem with residents. The current domestic rate of 90.4p in the pound represents an increase of 27½ per cent on last year, and this month the Council approved a supplementary rate levy which means an average householder will have to come up with an extra £86.

But central London has always been a sought after place to live and work, and the demand for property continues at a steady pace even in recession days. And if you want to live in Westminster, the choice is wide, spreading through 23 electoral wards, ranging from Baker Street to Belgrave and Bayswater, Hyde Park to Harrow Road, Millbank to Maida Vale, Knightsbridge to Victoria.

If you want a *pied a terre* in the heart of Mayfair, there is a smart studio-apartment complete with recessed drop-down bed fr £65,000 for a 99-year lease at the recently refitted Curzon Lodge, fronting Park Lane at the side of the Hilton Hotel overlooking Hyde Park. Larger apartments are from £130,000 upwards. To view, contact Mr Peter Cranham, Pearsons, 1a, Grafton Street, W1.

In Hallam Street, near Portland Place, W1, Mr Jim Sullivan, Patmead and Associates, 144, Old Brompton Road, SW7, are offering unmodernised studio accommodation from £30,000, on which a fair amount of work needs to be done. Renovated flats are from £35,000.

Obviously in such a large district, property on offer is legion, and you need to pick your area and contact the appropriate estate agents. To discover the historical background of Westminster, enthusiasts should visit the brilliant panorama of the *Royal Westminster* exhibition, opened by the Prince of Wales in May, and still on until August 31. Sponsored by The Land Securities Investment Trust, it is organised by the Royal Institution of Chartered Surveyors at their headquarters in George Street, off Parliament Square, and is a rare opportunity to see some 450 exhibits illustrating the last 1,000 years of Westminster. To have put together such a varied collection of plans, records, paintings, models and archaeological finds, is a remarkable achievement which should not be missed.

The excellently illustrated and scholarly exhibition catalogue, *Royal Westminster* by Dr Penelope Hunting, is £5 through the shop at the display or £6 including postage from Mrs Vivien Mackay, exhibtion co-ordinator, The Royal Institution of Chartered Surveyors, 12, Great George Street, London, SW1 (01-222 7000), who may still be able to organise special evening bookings for up to 120 people (Gerald Eve and Co. chartered surveyors, were the hosts the evening I went). General opening hours 10-6 daily, Thursday until 8, Sundays noon to 6.

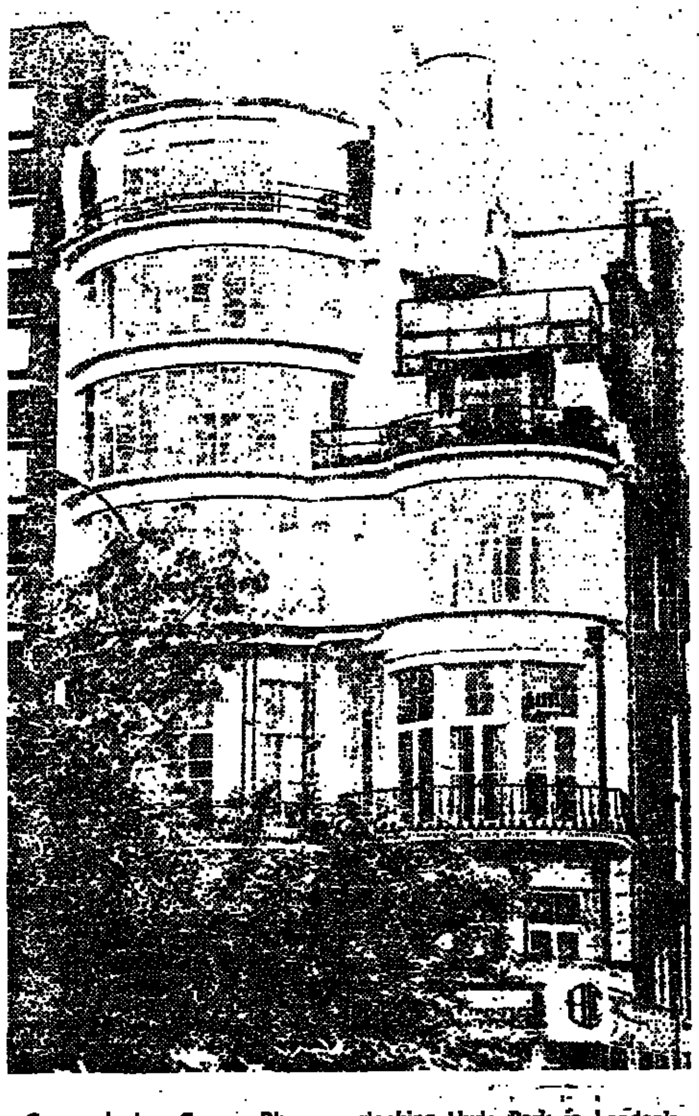
"Official" information on the City of Westminster is scarce. Budget cuts disbanded the information service for the public some time ago, and the last guide book, now out of print, was produced at the time of the Queen's Jubilee in 1978. "We are planning a new one, however," they assured me at the Westminster City Hall in Victoria Street, SW1. "And if callers have any specific inquiries we refer them to the appropriate department such as Housing, Health, and so on."

London's Grosvenor Estate comprises about one-third of Mayfair and all of Belgravia, 300 acres of privately-owned property. (The family name originating from the first *Norman Earl of Chester*, who held office as Chief Huntsman—*Le Gros Veneur*—with Robert, the 2nd Earl Grosvenor, created Marquis of Westminster in 1831).

Grosvenor Estate lessees and *tenants* get a newsletter periodically, which summarises what is happening on the estates and some of their future plans. This year's letter took the form of a booklet delightfully illustrated by Mr Albany Wiseman, with an introduction by the Duke of Westminster. As well as their up-market properties it also describes the estate's low-income housing, and refers to the upgrading of the 19th century terraces along Ebury Street and St Barnabas Street. This extensive project is now possible because the Inner London Education Authority has dropped its proposals for a new school on the site as it is no longer required due to the falling school population, explains Mr Stanley Coggan, the Estate Surveyor.

One of the estate's major rehabilitation projects which I first wrote about last year, was their Pimlico Road site, an area bounded by Passmore Street, Graham Terrace and Bourne Street, SW1, which consisted primarily of small two and three-storey early Victorian dwellings originally built to accommodate staff to serve the larger houses in Belgravia. Some *of the places had* deteriorated and had to be demolished, and Wates Built Homes re-built some houses in the Georgian style, and restored others, as well as creating a new courtyard square, Ormonde *Place*.

On 97-year leases are remodelled two-bedroom period cottages with a garage (£132,500), and newly-built terrace houses each with three to four bedrooms and two to *three living rooms plus two-car* garage, £200,000. The show-house at 55, Bourne Street



Curzon Lodge, Curzon Place, overlooking Hyde Park in London's W.1., where redecorated and refitted apartments are from £65,000 for a studio, to £130,000 upwards for larger accommodation with a balcony. The leases are 99 years. Details from Peter Cranham, Pearsons, 1a Grafton Street, London, W.1. (01499 2104)

(01-730 4273), is open between 10 and 6 Monday to Friday, 12 noon to 4 Saturday and Sun*day, and is already reserved at* £235,000. Full details from the agents, Mr Michael Duncan or Mr Andrew McGillvray, W. A. Ellis, 174, Brompton Road, London, SW3 (01-589 2425).

On a lease expiring in 2016 from the Duke of Westminster, is the Bath Club, 41-43 Brook Street, W1. The gracious 18th century building, originally two private houses with mews, was first re-fronted in the mid-*Victorian era to* designs by Sir Charles Barry and Thomas Cundy, then refurbished for the Guards Club at the end of World War I by Wimperis and Simpson. Just along from Claridges, the buildings are in *a conservation area* within the Central Activities Zone; although not actualy listed, they are noted to be of local importance.

The permitted use is for a *residential club or flats, or pos*sibly something to do with the arts, and any businesses not objected to by the landlords. The main thing to be borne in mind is that the Bath Club, which went into voluntary liqui*dation earlier this year*, have been on the premises since 1959, and from what I saw when I went round last week, sympathetic refurbishment and modernisation will be the first priority. Details: Mr Robert Large, Conrad Ritblat and Co., 14, Manchester Square, London, W1, who are thinking in terms of £1.5m for the lease. Christie's, South Kensington are auctioning the contents on 17 and 18 September, so one can view on the Monday and Tuesday before the sale, otherwise by appointment.

MOTORING

The Daihatsu Charade XTE I drove earlier this month wiped the competition's eye in several respects. For example, the quick, slick gearbox was a five-speeder, with overdrive top giving relaxed 70 *mph motorway cruising* at 3,500 rpm on the tachometer. The rear seats were as easy as the front ones to enter and leave because it had four passenger doors, plus a tailgate released either by fascia switch or lock and key.

The rear seat folded down in two sections and the load space accommodated the family labrador and £80-worth of groceries from the cash-and-carry without difficulty. The front seats were positively roomy, the rear ones perfectly habitable and the Charade—only three inches longer than a Metro—was supremely parkable.

It is economical; I obtained 41 mpg despite some fairly brisk driving. Perhaps the strongest argument in favour of the Charade XTE is its cost: £3,344 on the road, with an eight-year Protectol anti-corrosion warranty, quartz digital clock, push-button radio and rear window wash/wipe. Comparable prices for the competition are Metro L £3,893, Fiesta 950 cc GL £4,162 (both three-door models) and the five-door Datsun Cherry 1.2 GL, £3,434.

Preparing for CB radio

BY STUART MARSHALL

IN LESS than two months' time Citizens' Band radio will become legal in this country—provided transmissions are on 27mhz FM *and not on* the 27mhz AM frequency that an estimated 300,000 operators are already using to the largely impotent fury of the authorities.

The overwhelming majority of CB sets are fitted in cars and trucks, passing messages from one driver to another or, more accurately, to any others who care to listen. How valuable will CB transmissions be to Britain's motorists once they can use the air waves without *fear of prosecution?*

At the moment, no one has an real idea. In theory, the potential benefits are substantial, but they can only be realised when a very large number of vehicles are fitted with CB transceivers. And much will depend on the CB users' attitude toward the network and how responsibly they exploit their freedom to communicate.

Lives can be saved by CB because the emergency services can be summoned to an accident scene by a passing driver who won't first have to hunt for a phone. Up to the minute information about road hazards —fog, floods, black ice, a lorry *shedding* its load or a herd of wandering cows—can be passed to other CB users. Advance warning of traffic hold-ups could, the CB lobby says, allow drivers to divert, saving time and fuel.

But CB is not a cheap substitute for the useful but costly (about £1 per day) facility of an in-car radio telephone, which links the user, via a central control, with the public phone network. A legal CB installation, working on 27 mhz FM, will have a range of not more than 15 miles at best, possibly half that in some areas. It will cost from £150, installed in a car complete with aerial and microphone. A base set, if you want to be able to talk to *your home or office* as well as to other road users, may cost twice that. But there are no call charges. Once the CB set is installed, you can talk for as long as you like to anyone prepared to listen without paying another penny.

At present, CB has a raffish, even disreputable image. It is, after all, outside the law. Many "breakers" (they call themselves that because a CB user has to break into a stream of radio traffic to be heard) have been heavily fined and had their sets confiscated.

And, without being unkind, some of those who have shouted most loudly for CB to be legalised in this country hardly strike one as people with a burning urge to spend their own money mainly to help their fellow men. The entertainment value of CB is undoubted and is admitted by "breakers" and those who hope to profit by selling the equipment.

Some of the manufacturers are extremely worried by the widespread illegal use of CB sets working on AM frequencies. They are urging the authorities to clamp down severely on these law-breakers who, they consider, may jeopardise the whole concept of CB radio. According to Mr Partap Lalvani, managing director of Binatone, a British electronics manufacturer, the interference they are causing to TV and emergency *communications netwrks* is only a foretaste of worse troubles to come.

Already, he says, some illegal CB users have found that by modifying their equipment, they can use it to speed up the *sequences of traffic lights* by affecting the control mechanism.

He fears growing interference with air and sea navigation beacons from illicit sets with their output greatly boosted by easily-acquired amplifiers. Their high-power signals could, he believes, easily detroy some unfortunate legal CB user's equipment.

I hope to become an early user of legal CB in October and find out if it really can help the British motorist as much as its advocates suggest.

TRAVEL

The great U.S. of A.

BY IAN HARGREAVES

PLANNING a holiday ideally involves only three questions: Which direction? For how long? And what books shall we take?

Seas, customs posts and congested ferries make this ideal more elusive for Europeans than for Americans, the majority of whom still take their summer holidays by loading up the car or camper and picking a direction. Although this custom was briefly interrupted by the 1978-79 oil shock, figures from the National Park Service and recent personal experience confirm that Americans are on the road again.

After two years living in New York City, we found the answer to the three questions involved little debate, once southern Mexico was ruled out on grounds of cost and distance. West, four weeks, a Civil War history, Truman Capote's *Music for Chameleons* and the Faber selection of Walt Whitman's verse.

The planning really was minimal. Limited by the capacity of a Ford Escort and a preference to retain rear vision, we piled in a tent, sleeping bags, compressed plastic ground mats (some American campsites involve you sleeping on gravel), stove, ice-box pots, ones small bag of clothes per person, two adults and two children—Ben, five, and Kelda, four.

Other useful companions were Mobil travel guides for the blocks of states we visited, the Rand McNally road atlas and a campsite directory from the same publisher. More detailed maps of states can be obtained free from tourist information points or Exxon garages.

Our vague notion was to swing south through half-familiar territory in Virginia and West Virginia, before heading west as far as New Mexico and then back home via Wyoming. But we changed our minds mid-way and pressed on to California, happy to have made it from sea to shining sea for a total journey of just over 5,000 miles.

We then paid $250 to a company called Aacon in San Francisco, in return for which they double-insured the car and found a driver to take it back to New York while we flew. Total cost of the trip: $3,000 or $100 per day, a low budget helped by the fact that petrol still only costs $1.35 per gallon. For the visitor, the alternatives to car hire are to become a driver for a company like Aacon — but you are allowed only limited time to reach your destination — or to buy a car.

Our first night was spent high in the Allegheny hills at Brandywine Lake in the George Washington National Forest. Our first taste of an American campsite, it seemed extravagant to write on the comment card that the site was the best we had been in. Many campsites later, our remarks were more than justified.

For $3 per night it offered seclusion, a riverside site, a camp-fire and a pretty lake, to swim in. No other campsite was this clean or this pleasant.

Memphis is hardly a beautiful city, it acquires magnetism from the Mississippi River, which slouches my, brown, broad and secretive. Local radio and concerts also proclaim that its important place in black music is still alive and the city also contains the shrine of Elvis Presley. The shrine is tasteless and sentimental, circled by large men in sunglasses and misspelled notices about the consequences of pointing your camera in an illegal direction.

Across the river lies Arkansas. Its large Ouachita National Forest is as engagingly bucolic as anyone could wish. After several days on the road, we indulged ourselves with a night at the Arlington Hotel and Baths, which for $40 per night for four (all in one room), we had two swimming pools with mountain views, mineral baths, the local army dance band and that form of faded elegance which allows a hotel to offer in tandem both Bingo and very fine restaurants.

By the time you reach Oklahoma, the country rolls less steeply and people are becoming elusive. The state has fewer than 3m people in an area greater than England and Wales combined. It also has a jolly network of lakeside parks, which owe more to the Army Corps of Engineers than the hand of God, but which are welcome when the temperature does not drop below 85 degrees in the middle of the night.

We had decided from the start to spend our longest period in New Mexico, a decision we did not regret. We arrived in the Rio Grande Gorge, 60 miles north of Santa Fe and set down our little tent.

The nearest town to this site is Taos, an arty little community of adobe buildings and a skyline D. H. Lawrence described as "the most beautiful I have ever seen in my travels around the world." Impossible to disagree with his assessment and interesting too to visit the house where Lawrence planned to set up his community of decent individuals and where his ashes now rest.

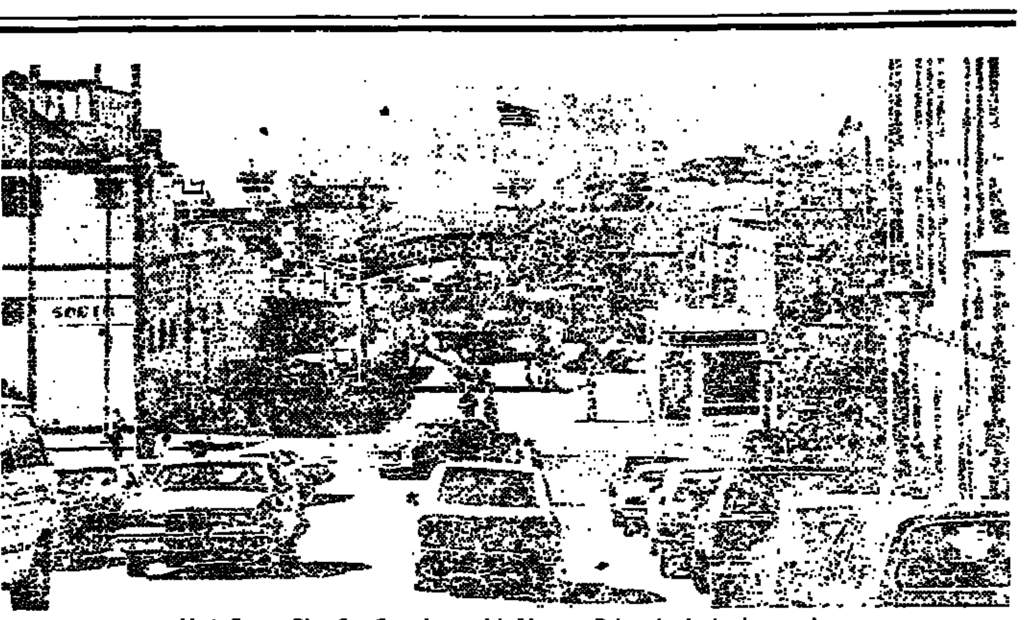
New Mexico's other great treasure is its Indian culture. The caves Indians scooped out of the volcanic ash rock, high on defensible cliffs can be [illegible] by ladder. But even these ancient dwelling places, such as those at Bandolier and Puye, date back only to 1200 AD, a couple of hundred years after St Mark's was completed in Venice. Other attractions are the home of Kit Carson and scenes from the career of Billy the Kid.

Many New Mexican Indians still live in primitive pueblos, baking in mud ovens that make wonderful pottery without kilns. These places are irresistible to tourists.

The dust and heat of Arizona's red rocks is not ideal for tent camping, although an eccentric patch of water in the north-west of the state behind Glen Canyon Dam was pleasant enough, even if disturbed somewhat by the stories of ecological damage done by the dam.

Water in these parts is a precious and contested commodity, at which point there is a chilling satisfaction in having brought Capote's book along, with its centrepiece story about the hand-carved coffin murders. The presumed motive for these murders, one of which is executed by amphetamine-crazed rattlesnakes, is a battle over a river diversion.

The Colorado River, of course, cuts its way into the Grand Canyon, a natural wonder worth a 2,000 mile detour rather than the 200 needed to get to the north rim. Here we paid $40 a night to stay in the old Union Pacific lodge.



Hyde Street Pier, San Francisco, with Alcatraz Prison in the background

From the sublime to the preposterous. A desert drive of 250 miles lands you in Las Vegas. One night ($60 at the Flamingo Hilton) was enough. Have you tried explaining to a five-year-old, hoping not to turn him into a misanthrope, why the old lady who looks like his granny has spent the *entire* day pumping coins into a machine and getting them back from a chute.

We crossed Death Valley, where the temperature is 130 degrees and the only touch of re-assurance a tank of radiator water every 30 miles.

No wonder California looked like paradise to the early settlers.

Finally San Francisco itself. Everybody's favourite city, they say, and you can see why. The architecture is comfortable, the culture cosmopolitan and the climate perfect. Tourist attractions include a superb aquarium, the infamous Alcatraz penitentiary where ever-obliging rangers recite stories of Al Capone and other miscreants and a huge wharf area entirely given over to idle pursuits like shopping and watching the sun go down behind the Golden Gate Bridge.

Sitting with a plateful of sizzling shrimp Szechuan style in Chinatown and a litre or two of finest Californian something or other, we are all ready to agree it was worth the sweat, the endless highway and the battle to avoid "recreational vehicles" equipped to cover the Moscow Olympics.

For Ben, it goes without saying, the highlight was not the Grand Canyon or the Taos sunsets. It was seeing *Clash of the Titans* at a flea-pit in New Mexico. For Kelda, it was the pet racoon.

The Association of Investment Trust Companies

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

as at close of business on Monday 17th August 1981 (cols. 1–5); as at 31st July 1981 (cols. 6–11)

Total Assets less current liabilities (1) £ million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	Geographical Spread: UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	Gearing Factor (10) base=100	Total Return on N.A.V. over 5 years to 31.7.81 (11) base=100
	VALUATION MONTHLY									
222	Alliance Trust	287	5.2	429	51	37	6	6	100	199
179	British Invest. Trust	202	6.3	282	60	32	7	1	88	185
†	First Scottish American Trust	132	4.9	†	†	†	†	†	†	†
19	Grange Trust	141	3.7	181	64	27	2	7	106	231
100	Great Northern Invest. Trust	136	6.9	205	62	19	10	9	99	212
126	Investors Capital Trust	131	3.3	182	38	39	16	7	101	205
12	New Darien Oil Trust	110	0.0	121	1	90	–	9	81	†
72	Northern American Trust Co.	142	4.7	202	56	31	12	1	102	207
190	RIT Ltd	378	5.1	505	59□	18□	2	21□	76	294
28	River Plate & General Invest. Trust	126	6.0	175	71	11	–	18	97	276
15	xSave & Prosper Linked Invest. Trust	108	–	210	100	–	–	–	162	183
196	Scottish Invest. Trust	156	3.9	210	39	38	9	14	99	216
88	Scottish Northern Invest. Trust	114	4.8	158	57	37	2	4	105	250
164	Scottish United Investors	66	3.3	86	31	41	10	18	103	210
74	Second Alliance Trust	246	4.9	375	51	37	6	6	101	202
4	Shires Investment Co.	143	11.8	160	100	–	–	–	90	191
119	United States Debenture Corporation	111	7.2	170	67	33	–	–	101	187
	Baillie Gifford & Co.									
192	Scottish Mortgage & Trust	182	4.2	255	35	42	13	10	104	212
96	Monks Invest. Trust	86	4.0	119	32	44	13	11	104	223
25	Winterbottom Energy Trust	80	1.1	99	4	90	–	6	104	216
	Baring Bros. & Co. Ltd.									
62	Outwich Invest. Trust	73	4.3s	109	59	17	10	14	110	225
41	Tribune Invest. Trust	111	3.5	153	39	32	13	16	100	195
	Drayton Montagu Portfolio Mngt. Ltd.									
10	British Indust. & Gen. Invest. Trust	153	4.7s	204	44	14	19	23	98	†
4	City & Foreign Invest. Co.	85	0.0	98	2	98	–	–	99	†
11	Colonial Securities Trust	57	7.5	78	70	8	3	19	109	†
71	Drayton Commercial Invest. Co.	172	5.8	258	53	18	9	20	96	†
97	Drayton Consolidated Trust	179	6.1	276	54	15	15	16	95	†
12	Drayton Far Eastern Trust	92	1.9	99	13	–	26	61	92	†
111	Drayton Premier Invest. Trust	222	6.6	351	56	18	10	16	94	†
20	English and International Trust	119	6.6	185	56	22	7	15	95	†
8	Montagu Boston Invest. Trust	71	2.1	81	1	99	–	–	79	113
20	xCity & Commercial Invest. Trust	259	–	397	94	3	–	3	135	317
18	xDualvest Ltd.	474	–	659	80	5	2	13	125	†
16	xFundinvest Ltd.	124	–	199	92	4	–	4	123	†
48	xTriplevest Ltd.	363	–	579	53	15	1	31	129	†
	East of Scotland Invest. Managers Ltd.									
67	Aberdeen Trust	143	5.8	199	74	23	1	2	102	†
	Edinburgh Fund Managers Ltd.									
89	American Trust	73	*4.1	98	46	53	–	1	99	224
26	Crescent Japan Invest. Trust	384	0.4	388	–	–	100	–	100	252
20	General Scottish Trust	65	6.3	92	63	23	7	7	103	238
14	New Tokyo Invest. Trust	149	0.0	140	–	–	100	–	100	†
12	Wemyss Invest. Co.	373	7.3	542	65	19	1	15	92	195
	Electra House Group									
124	Electra Invest. Trust	61	6.3	79	58	28	–	14	100	237
424	Globe Invest. Trust	161	6.6	222	56	26	4	14	102	254
48	Temple Bar Invest. Trust	119	9.2	164	89	7	–	4	95	200
	F & C Group									
41	Alliance Invest. Co.	116ac	3.3	145ac	46	24	18	12	107	282
38	Cardinal Invest. Trust	153	4.2	217	56	17	5	22	104	247
6	F & C Eurotrust	56	3.7	68	14	2	–	84	107	†
334	Foreign & Colonial Invest. Trust	75	3.5	103	51	24	15	10	111	235
48	General Investors & Trustees	192	4.5	274	52	15	5	28	100	251
	Fidelity International									
1	xCystic Fibrosis Research Invest. Trust	120	–	162	87	6	–	7	156	†
	Robert Fleming Investment Mngt. Ltd.									
41	Capital & National Trust	178	*5.4	263	64	18	5	13	99	222
19	Claverhouse Invest. Trust	140	6.5	188	99	1	–	–	99	289
17	Crossfriars Trust	122	7.6	172	100	–	–	–	95	260
90	Guardian Invest. Trust Co.	116	5.8	175	70	12	11	7	102	218
53	London & Holyrood Trust	160	5.1	242	62	21	5	12	99	214
39	London & Montrose Invest. Trust	107	4.8s	160	55	26	7	12	97	214
72	London & Provincial Trust	153	4.9	229	55	27	6	12	99	208
163	Mercantile Invest. Trust	65	5.5	85	49	32	8	11	103	239
59	Sterling Trust	228	6.0	345	62	24	9	5	102	195
46	Technology Invest. Trust	174	3.5	230	58	31	10	1	99	225
113	United British Securities Trust	169	5.9	254	58	23	6	13	98	213
33	United States & General Trust Corp.	263	5.7	404	67	19	5	9	99	208
	GT Management Ltd.									
39	Berry Trust	205	1.0	211	34	26	21	19	107	351
1	xChild Health Research Invest. Trust	170	–	183	51	15	24	10	103	†
10	GT Global Recovery Invest. Trust	98	0.0	97	39	40	–	21	93	†
25	GT Japan Invest. Trust	402	0.7	398	–	2	95	3	81	274
15	Northern Securities Trust	284	2.2	363	46	22	14	18	108	303
	Gartmore Investment Ltd.									
11	xAltifund Ltd.	184	0.3	268	88	4	4	4	124	338
38	Anglo-Scottish Invest. Trust	74	4.6	108	52	33	4	11	108	231
51	English & Scottish Investors	82	*3.1	110	39	28	12	21	112	286
12	Group Investors	111	4.0	153	46	42	6	6	98	279
9	London & Gartmore Invest. Trust	138	1.6	186	33	25	9	33	119	230
13	London & Lennox Invest. Trust	48	5.6	69	56	29	–	15	102	195
34	London & Lomond Invest. Trust	107	5.1	161	66	32	–	2	106	230
18	London & Strathclyde Trust	79	3.9	109	59	28	–	13	111	219
22	Meldrum Invest. Trust	75	6.2	107	96	–	–	4	100	285
	Gartmore Investment (Scotland) Ltd.									
113	Scottish National Trust	228	4.3	331	56	23	7	14	105	215
29	Glasgow Stockholders Trust	84	3.8	118	56	29	–	15	107	213
	John Govett & Co. Ltd.									
135	Border & Southern Stockholders Trust	93	4.0	132	53	23	12	12	98	221
20	General Stockholders Invest. Trust	207	2.6	275	44	44	4	8	101	237
103	Lake View Invest. Trust	172	3.2	216	48	15	13	24	102	229
105	Stockholders Invest. Trust	177	2.8	229	29	57	7	7	104	236
	Hambro Group									
36	Bishopsgate Trust	101	4.7	146	57	32	6	5	102	244
6	City of Oxford Invest. Trust	111	7.1	151	100	–	–	–	98	277
81	Hambros Invest. Trust	105ac	4.1	143ac	53	38	5	4	97	281
8	xRosedimond Invest. Trust	147	–	201	98	–	–	2	132	321
	Henderson Administration Ltd.									
200	Witan Investment Co.	86ac	3.1	113ac	48	25	20	7	104	235
36	Electric & General Invest. Co.	133	2.6	185	47	38	8	7	102	227
11	Greenfriar Invest. Co.	192	1.5	249	42	26	20	12	108	291
10	Lowland Invest. Co.	89	6.3	117	89	3	–	8	101	261
	Philip Hill (Management) Ltd.									
15	General & Commercial Invest. Trust	202	6.6	278	71	26	–	3	96	214
33	General Consolidated Invest. Trust	120	7.0	174	69	27	–	4	94	227
187	Philip Hill Invest. Trust	136	6.4	189	72	24	–	4	95	237
9	Moorgate Invest. Co.	167	6.3	182	88	10	–	2	95	307
50	Nineteen Twenty-Eight Invest. Trust	92	6.8	133	55	41	–	4	94	190
	Industrial & Commercial Fin. Corpn. Ltd.									
15	London Atlantic Invest. Trust	104	6.6	130	77	13	–	10	98	265
10	North British Canadian Invest. Co.	119	5.8	142	95	2	–	3	99	†
	Ivory & Sime Ltd.									
107	Atlantic Assets Trust	295	0.5s	348	52	45	–	3	90	467
151	British Assets Trust	113	5.1	148	35	59	–	6	109	238
67	Edinburgh American Assets Trust	126	0.9	138	20	67	7	6	111	274
43	Independent Invest. Co.	165	0.4	151	43□	55	–	2	89	†
53	Viking Resources Trust	112	0.8	129	10	88	–	2	101	429
	Kleinwort Benson Ltd.									
40	British American & General Trust	53	6.3	79	53	30	9	8	96	212
38	Brunner Invest. Trust	87	4.6	118	48	33	10	9	100	†
49	Charter Trust & Agency	78	5.9	119	58	26	9	7	100	†
61	English & New York Trust	98	5.9	148	52	33	7	8	98	202
6	Family Invest. Trust	120	7.1	145	97	–	–	3	94	301
5	Jos Holdings	79	6.0	100	70	13	11	6	104	246
10	London Prudential Invest. Trust	114	6.1	161	65	20	9	6	97	†
80	Merchants Trust	104	5.7	155	53	31	9	7	97	228
	Lazard Bros. & Co., Ltd.									
70	Raeburn Invest. Trust	166	5.5	253	54	33	6	7	98	185
57	Romney Trust	140	4.5	190	30	43	17	10	98	199
	Murray Johnstone Ltd.									
71	Murray Caledonian Invest. Trust	83	*6.9	115	46	33	11	10	105	219
104	Murray Clydesdale Invest. Trust	74	*3.2	105	44	36	13	7	104	209
27	Murray Glendevon Invest. Trust	148	*2.6	206	54	26	8	12	112	218
36	Murray Northern Invest. Trust	98	*2.7	126	32	33	16	19	101	217
116	Murray Western Invest. Trust	90	*3.8	133	46	36	12	6	102	211
	Rivermoor Management Services Ltd.									
153	London Trust Co.	88	5.7	129	57	21	–	22	122	297
20	Moorside Trust	75	6.7	100	50	38	2	10	96	252
47	River & Mercantile Trust	137	7.8	194	71	6	8	15	100	251
	J Henry Schroder Wagg Group									
33	Ashdown Invest. Trust	205	4.3	303	48	40	9	3	95	214
47	Broadstone Invest. Trust	234	4.3	334	45	44	7	4	97	227
76	Continental & Industrial Trust	296	5.3	434	54	43	–	3	101	213
47	Trans-Oceanic Trust	91	3.7	128	36	47	9	8	95	213
	Stewart Fund Managers Ltd.									
114	Scottish American Invest. Co.	157	3.6	196	49	37	6	8	97	272
	Throgmorton Invest. Management Ltd.									
13	xThrogmorton Secured Growth Trust	145	–	220	100	–	–	–	–	209
70	Throgmorton Trust	119	7.2	161	99	–	–	1	101	321
	Touche, Remnant & Co.									
162	Atlas Electric & General Trust	99	4.8	142	66	16	6	12	104	244
47	Bankers' Invest. Trust	80	7.0	120	72	17	6	5	100	210
24	C.L.R.P. Invest. Trust	102	4.9	153	59	15	5	21	109	208
48	Cedar Invest. Trust	96	6.8	141	66	13	6	15	99	220
58	City of London Brewery & Inv. Trust	83	7.6	119	93	3	–	4	97	227
43	Continental Union Trust	164	5.4	245	61	20	3	16	108	203
282	Industrial & General Trust	84	5.1	122	65	19	5	11	106	231
58	International Trust	104	5.7	158	71	17	8	4	104	208
81	Sphere Invest. Trust	167	5.3	252	63	23	6	8	109	219
56	Trust Union	85	5.2	120	61	20	8	11	106	225
105	Trustees Corporation	77	5.5	111	72	12	3	13	106	239
	Williams & Glyn's Bank Ltd.									
3	Atlanta Baltimore & Chicago	85	1.7	100	12□	88	–	–	98	181
4	West Coast & Texas Regional	96	1.9	117	10□	90	–	–	100	171

NOTES TO THE TABLE

- – No data
- x Split capital trust (capital shares).
- * Applies to Ordinary/'A' Ordinary only.
- s Does not include special dividend.
- □ More than one quarter in non-equity investments.
- ac Adjusted for scrip issue
- ar Adjusted for rights issue.

(a) Cols. 1, 3 to 5 — Figures supplied by Wood Mackenzie & Co., members of The Stock Exchange. Col. 1 to nearest £1m; Cols. 3 & 5 to nearest penny per share.

(b) Cols. 1, 5 — Statistics simulated to date shown based on latest valuations supplied by the companies and made available to The Stock Exchange. In these valuations listed securities are valued at mid-market prices and unlisted at directors' valuation. All revenue account items are excluded.

(c) Col. 4 — Based on last declared dividend or firm forecast, plus tax credit, to nearest 0.1 per cent.

(d) Cols. 6 to 9 — Percentages of total assets less current liabilities. Currency balances are allocated to the relevant geographical sector.

(e) Col. 10 — The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'Investment Trusts today'.

(f) Cols. 5, 11 — Prior charges and preference share capital deducted at market value: convertible stocks deemed to be converted: warrants treated as not exercised.

(g) Col. 11 — Figures supplied by AITC Statistics Service, to nearest one per cent. A full description of the information shown in this column is given in the Investment Trust Year Book. In summary, the figures show the percentage changes in the net asset values over the period assuming that dividends paid, excluding tax credit, were reinvested in the underlying assets of the company.

INDICES OF FIVE YEAR TOTAL RETURN

General Trust Average	237
F.T.–Actuaries All Share	259
*Standard & Poors Composite	101
*Capital International World	112

*Adjusted for exchange rate changes.

EXPLANATORY NOTES

Use of total return statistics and care in interpretation

The total return statistic, which adjusts the net asset values for dividends, excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major stock markets.

Each total return figure is indexed from a base of 100 at the commencement of the period and records the movements between two particular dates. Any particular total return figure may thus be affected by exceptional factors operative at either the base date or at the final date, which were influencing the stock market generally or a sector of the market in which the company was interested. The geographical distribution of a particular company's portfolio should be considered in assessing its relative performance.

While the total return statistic, if used with care, provides a valuable guide to past experience which can assist comparison of one company with another, or the trust movement with other investment media, it should always be borne in mind that past performance is not necessarily a guide to future achievement.

The total return statistic for split capital trusts is not comparable with that for other companies because of the difference in capital structure. The split capital trusts have therefore been identified in the Table and are not included in the General Trust Average index figure.

Calculation of NAV

In order to avoid a plethora of figures and to facilitate comparability, the statistics of net asset value have been calculated on a uniform basis which may in the case of a particular company, differ from the corresponding figures in its Annual Report and Accounts.

The net asset value is calculated on the "going concern" basis, ie with prior charges deducted at market value, as it is believed that this basis is the most widely accepted for comparative purposes.

Bosie's blues

BY PETER QUENNELL

The Mad Bad Line: The Family of Lord Alfred Douglas
by Brian Roberts. Hamish Hamilton. £15.00. 319 pages

A visit to Lord Alfred Douglas during his last sad years was a memorable experience. He then lived at Hove, and occupied a small ground-floor flat in a gloomy building some way from the sea, of which the concrete façade was criss-crossed with imitation half-timbering. The only significant feature of the flat itself was a series of reproductions, hung around the walls, of paintings by Giovanni Bazzi, the 15th-century Italian artist whom his contemporaries affectionately called "the Sodomite."

We were offered tea and sugared cakes. Our host, no longer "a gilded pillar of infamy," as Oscar Wilde had once described him, was now a grey and shrunken wraith, yet still exhibited some of the affectations of a spoiled, attractive undergraduate. "Boys, brandy and betting monopolise his soul," Wilde had angrily declared: and, although the first two passions must have long ago died down, he retained his interest in the Turf and told us how we could place two or three shillings with a local shop-keeper he knew. He also informed us which of Hove's cinemas provided cheap seats if one reached them at a sufficiently early hour.

Such was the decline of Wilde's evil genius. Between them, Alfred Douglas and his father, the 8th Marquess of Queensberry, by involving him in their ferocious family feuds had ruined his brilliantly successful career and effectively destroyed his talent. Father and son, nevertheless, were themselves victims of their strange, *disastrous heritage*; and in *De Profundis*, that deeply interesting, often moving, yet subtly unpleasant book—the author's ill-judged efforts at self-dramatisation and romantic self-justification very seldom ring true—Wilde refers to the "mad, bad line from which you are come," and reminds Alfred Douglas of the deaths by suicide of "your uncle certainly, your grandfather, possibly"; though he omits the mysterious end of "Bosie's" eldest brother, the unhappy Lord Drumlanrig, that had occurred in 1894.

The 8th Marquess was, no doubt, the worst of his line: at least, he was the most violent, a man whose wild anarchic energies defied any kind of rational control. He was not unlettered—he sometimes wrote verse: nor did he ever lack ideas: but each of the swarming ideas that happened to invade his head eventually became a mania and took a savagely aggressive turn. Thus, as a militant atheist, he did his best to break up the performance of Tennysons' harmless playlet *The Promise of May*, because the Laureate, he asserted, had put his own Christian sentiments "into the mouth of his imaginary Freethinker." Amid general uproar, he was then forcibly removed from the theatre, a conclusion that he welcomed. He always loved publicity; and, if he could not use his fists—he was, of course, a practised boxer—he no less enjoyed a resounding verbal conflict that the newspapers reported.

Manic, too, was the Marquess's treatment of his unlucky wife and children. Even before he had launched his fierce attacks upon his effeminate, "artistic" son and Alfred's nefarious companion Wilde, he had begun a vituperative campaign against the allegedly epicene Lord Rosebery, whose private secretary Drumlanrig was, accusing them both of homosexual practices, and later, pursued the invalid statesman to Hombourg where, until the police were called in, he wandered around Rosebery's hotel, wildly flourishing a dog-whip. Drumlanrig was a shy, phlegmatic character: and the anguish his father's behaviour caused him may have helped to bring about his death. The "shooting-accident" that killed him in 1894 was never satisfactorily explained.

The Mad Bad Line gives us a popular but well-documented account of Alfred Douglas in youth and of his macabre ancestral background. Douglas, Brian Roberts admits, was a gifted minor poet, who wrote one or two accomplished sonnets. To defend him as a man is rather more difficult. Besides being incurably litigious, he was naturally unscrupulous. "Hypocrisy can go no further," wrote André Gide, an early associate and fellow homosexual, having read the "abominable book," entitled *Oscar Wilde and Myself*, in which Douglas, at his old friend's expense, set out to produce a flattering self-portrait: and his subsequent career, as a public controversialist and the editor of muck-raking magazines, did not improve his reputation.

Fight between father and son: Lord Queensberry versus Alfred's elder brother, Percy, who became 9th Marquess.

Other members of the fated Douglas clan are described in lively detail here, notably the Marquess' sister, the versatile Lady Florence, who, having become one of the first professional women journalists, gallivanted excitably around the globe; Alfred's younger brother Sholto, who, although his well-wishers had had him pronounced insane, married an Australian bar-girl, Maggie Moonie; and Uncle James, who drank heavily, tried his hand at novel-writing and presently committed suicide. This tragic story, I should add, includes some wonderfully comic passages. At James's funeral, Aunt Florence's husband "Beau" Dixie, an aimiable person but an inveterate toper, left the bed to which his wife had consigned him, borrowed some black trousers from a waiter at the neighbouring public house, entered the churchyard and flung himself down by the grave. "My God", he cried weeping, "how I loved that man! We were like a pair of apes".

Two nations' novelist

BY PETER KEATING

Disraeli the Novelist
by Thom Braun. Allen and Unwin. £10.00, 149 pages

Asked for his opinion of George Eliot's *Daniel Deronda*, Disraeli is said to have replied: "*When I want to read a novel, I write one.*" It is a characteristically arrogant and cryptic comment, though not perhaps entirely meaningless. Disraeli seems to have had little familiarity with the work of the great Victorian novelists and no interest in the art of fiction, yet during his long and active life he wrote more than a dozen novels: the first, *Vivian Grey*, was published in 1826 when Disraeli was an unknown 21-year-old; the last, *Endymion*, in 1880 when he was a world-famous politician. They are not particularly good novels and are now read mainly for historical or biographical purposes, so why did Disraeli devote so much time and effort to them?

Thom Braun's answer to this question in *Disraeli the Novelist* is that in everything he did Disraeli was a compulsive "fictionaliser," someone who needed constantly to romanticise, recreate, or rewrite his experiences. "Fiction was obviously more to him than just the writing of books for artistic prowess or financial gain," Dr Braun claims: "It was more a way of recasting 'life' as heroic and ordered." An interpretation such as this—while it can never be proved in any totally convincing manner—is attractive because it allows for the numerous inconsistencies and contradictions in Disraeli's career without striving to explain them all as calculated moves by a ruthlessly ambitious politician.

Desire for fame and the need to make money can certainly not be ruled out. The ornate descriptions of society life in *Vivian Grey* and *The Young Duke* may have been romanticised and sometimes inaccurate, products of fantasy rather than of anything known personally, but they also represented the kind of glittering world that Disraeli wanted so passionately to be a part of. He was eventually to be welcomed by Society in spite of the lingering embarrassment those youthful novels were to cause him. At the other end of his literary career, there can be no doubt that Disraeli's fame as a politician served, with or without his connivance, as valuable publicity for his activities as a novelist.

From the moment in 1870 when the publication of *Lothair* was announced, it was destined to be the success of the season. More than 20 years had passed since Disraeli's previous novel, and the Saturday Review neatly captured the mood of public fascination: "The English mind was startled when a retired novelist became Prime Minister. It has been not less surprised at the announcement that a retired Prime Minister is about again to become a novelist." Dr Braun estimates that in the seven years following the publication of *Lothair* Disraeli earned more than £10,000 from the sales of his novels, and this led to a further £10,000 for agreeing to write *Endymion*, "the largest single amount ever paid for a work of fiction in the nineteenth century."

Yet, if money and fame did come to Disraeli through his novels as well as his politics, it is probably right to see his literary impulse as overwhelmingly personal and fantastic. This is particularly apparent with the so-called "Young England" trilogy, consisting of *Coningsby*, *Sybil*, and *Tancred*, which were all published in the 1840s at the moment when Disraeli was making his first bid for real political power. These novels — the only ones now frequently referred to by students of the Victorian period — are sometimes regarded as making up a party political manifesto for the kind of Tory Party Disraeli wanted to lead. As Dr Braun demonstrates, the three novels are only loosely connected with each other; they do not express a consistent political ideology, and they move uneasily between detailed descriptions of industrial England (taken largely from official Blue Books), misty evocations of medieval certainty, and rather quaint portraits of working-class Chartists who turn out conveniently to be of aristocratic stock.

What unites these "Young England" novels is Disraeli's message that the ruling classes must develop a greater sense of social responsibility and work to close the gap between the rich and the poor, the "two nations" in Disraeli's famous formulation. All sensible politicians in the 1840s believed that. Disraeli's special contribution to the debate was, as always, imaginative, mythic, and highly romantic.

A sea change

BY NICHOLAS BEST

Jellicoe
by John Winton. Michael Joseph. £12.50. 320 pages

"Jellicoe will be Nelson at Cape St Vincent until he becomes boss at Trafalgar when Armageddon comes along in 1915 or thereabouts," wrote Jackie Fisher in 1910. But Jellicoe was never quite Nelson, and Jutland was certainly not the Trafalgar the nation had been expecting.

In fact, as John Winton reveals in his perceptive new biography, the real battle of Jutland began in 1920, when the Beatty faction took control of the Admiralty and began to fire broadside after broadside into anyone who disputed their interpretation of events. They raised such a smokescreen that the truth about Jutland disappeared for ever, lost in a controversy which engulfed everyone except Jellicoe himself, who characteristically refused to defend his own position.

But certain facts remain inescapable. It was the German fleet which retreated back to base after Jutland, which never ventured out again in comparable strength, which eventually mutinied against its own officers. The Royal Navy had not gained a great and famous victory, and no one pretended it had. Yet it was a victory all the same.

Jellicoe won the battle and lost the aftermath. He had been preparing for that particular conflict all his professional life, and it went sour on him. His active service career ended soon afterwards when he was posted to the Admiralty as First Sea Lord, there to do battle in the murky corridors of Whitehall with politicians and self-servers for whom he had neither time nor inclination. It was a sad and undignified experience for an exceptionally able man.

He was arguably the last of the great English sailors. Beatty had more dash, and was a first-rate fighting man, but he remained silver to Jellicoe's gold. The Second World War produced nobody to match either, and with today's navy reduced to a water pistol and a cod peace or two, it is difficult to believe we shall ever see their *like again*.

What makes their achievement all the more remarkable is that prior to 1914 their only real taste of action seems to have taken place on dry land. Both Beatty and Jellicoe were involved in the Boxer rebellion in China (along with their German opposite numbers). Jellicoe joined the relief column to Peking and was seriously wounded during the retreat. The story is one of trains and forts and powder magazines and rescue in the nick of time. As the author points out it was worthy of the *Boy's Own Paper at its most imaginative*.

In best Boy's Own style Jellicoe ended his days, as he deserved to end them, a national hero. Neither bureaucrats nor other ill-wishers could ever diminish his popularity with the general public, and with naval men of all ranks. "Don't take any notice of armchair critics, what do they know of our wants and desires?" came a signal from the lower deck on his dismissal as First Sea Lord. "You are our Idol and one who we would follow to Death." One wonders if the ex-railway manager who sacked him ever received such an accolade.

End of the alternative

BY GEORGE WATSON

A Sociology of Contemporary Cultural Change
by Bernice Martin. Basil Blackwell, £12.50. 272 pages

Bernice Martin has written a brave book, charting the cultural changes we have all made, or watched, since the 1950s, and recasting a lot of it into the terminology of academic *sociology. A lecturer in that* field at Bedford College, London, she has had some need of courage: and so, as we read, do we. It is brave to tell people, and lengthily, what in a sort of way they have always known: and brave, by now, to use the language of sociology to do it in. That language is yesterday's fad, and a warning to us all not to fall down before strange gods.

Today's fad is tomorrow's old hat before you can say Marshall McLuhan. Her book certainly brings the 1960s sharply back, and in manner as well as in matter. It would have taken quite a different book from this to justify what she calls the Expressive Revolution of those years, or the cult of Do-Your-Thing; and Dr Martin's way is to explain, not to justify. She takes us from the Kingdom of Terminus, as she calls it, with its matching suburban furniture and tradesman's entrances, into the *1960s* revolt of youth-culture, rock and Jesus-freaks, and back again into the soberer 1980s, where we have rediscovered "liminality" or a sense of limits. Look, we have come through . . .

A literary allusion is apt. Dr Martin is generous to literature, which earns her many remissions, quotes W. H. Auden a lot, and starts by saying, in an engagingly honest way, that she sees sociology more as an art than as a science. The Auden bits are a godsend, as it turns out, whether in verse or prose, and they break into her discourse like a whimsical old uncle telling a solemn niece what she really meant to say, and how she could put it more succinctly. I dare not accuse Dr Martin of solemnity, as that uncle might, since I am not even sure it is a fault, least of all in a sociologist. It is so easily confused with seriousness, and her task takes plenty of that. She even has to take Jeff Nuttall seriously, at least as a symptom.

The effort not to laugh must have been killing, at times, and it makes for some pretty hard *going here, with massive, sober*ing references to sociological authorities of the past 100 years and appeals to abstract principles. It also makes in the end for some acute and well balanced conclusions. Her demonstration that the counter-culture of the 1960s was not notably radical, or at least that *its* connections with political radicalism were contingent rather than essential, is persuasively argued without any surrender to easy dogmatism. An alternative culture can be of any political colouring, she argues, or of none. A cult can be twisted in almost any direction, with or without a PR man to hand; and even authenticity can be used as a sales-technique.

The book ends with a sad remark from her favourite uncle that we are "not, any of us, very nice." I strongly suspect that Dr Martin is an exception. She cares about the state of our culture, in a painstaking and bewildered sort of way. The bewilderment easily takes the form of appeals to authorities, and her documentation is impressive; also a good few German abstract nouns, not always correctly spelt. The trouble is that one could think of so much of it, jargon apart, unaided and for oneself, if minded to do so. We have all lived this book, if middle-aged; at least we have all witnessed the cultural changes recorded here as one might a passing show. The conclusions, then, if sound, are inclined to be predictable.

Somebody once remarked that a sociologist *is someone* who writes fat books to prove that rich people tend to live in bigger houses than poor people. Dr Martin has evidently heard jibes like that — what professional sociologist has not? — and she is understandably anxious to armour herself against them. She does not make large claims for her discipline. She generously admits that poets like Auden and novelists like Muriel Spark have said it already, and usually with a greater economy than members of her own notoriously prolix profession. The whole book is amiable in this sort of way: open-handed in its acknowledgement of sources, modest in its claims for itself, and hesitant about concluding anything drastic about the cultures we have so recently and *so* narrowly survived.

The real trouble with the Expressive Revolution of the 1960s, I suspect, and one that Dr Martin never quite dares to utter, is that anyone who thinks himself the centre of the universe is likely to be the most crashing bore around. Rock and Zen may have looked exciting once: we can all see them now, with handsight, as vaingloriously self-indulgent and colossally tedious. The Me-Generation worked frenetically to convince itself that it mattered, with or without electric guitar. But something else has to matter too, and the task of self-discovery is better conducted in silence and alone than in campus or coffee-bar. As for the early 20th-century theories of Society and Self that Dr Martin so conscientiously chronicles, they look about as exciting as a tired lettuce-leaf, through no fault of hers, and even less nutritious. Wake me when it's over, one is inclined to murmur at the sound of the next oncoming avant-garde. No wonder if Dr Martin takes solace in literature, like many others, and the poems she quotes as epigraphs to her chapters shine out of her pages like welcoming beacons to the weary trend-watcher *in search of rest*.

Philippics

BY ANTHONY CURTIS

Words and Music by Philip Hope-Wallace, with an introduction by C. V. Wedgwood. Collins. £9.95. 280 pages

Anyone who was fortunate enough to spend even five minutes in the company of the late Philip Hope-Wallace will have realised that he was one of the wittiest men of his generation. *Unlike most natural raconteurs* he was a man civilised by long exposure to the arts of music and drama. His overnight notices appeared for several decades in the pages of The Guardian, primarily, in several of the serious weeklies such as the Listener, and in his younger days in Lady Rhondda's Time and Tide. No one could sum up a performance with more elegant and erudite rapidity. Legend has it that as a young critic, hard pressed by clashing assignments he went into the lavatory in the interval of an opera he was reviewing to listen on a portable set to a radio play he was also supposed to be reviewing, in the days before the casssette rendered such an extremity unnecessary.

Hope-Wallace was much in demand by editors in his latter years for short pieces about his own life, memories of learning French as a boy in the Rouen of "le tramway," or musings about St Johns Wood, his home-ground as an adult. His admirers wished fervently he would write a book and publishers wooed him to this end, but he was an inveterate thousand-word man, the usual limit of arts journalism. Now, happily, we do have a book from him, albeit a posthumous one, selected by *his sister from his* periodical and newspaper writings. The task has been discharged with affection and care. The tone of the man, his captivating, exuberant and discerning charm have been caught. It makes an indispensable volume for the bedside table of every theatre- and opera-lover.

A Good Night Out by John McGraith, published on Thursday, will be reviewed on the Arts Page on Monday. The book, based on a series of lectures delivered in Cambridge in 1979 discusses popular theatre in Britain.

Requiem for steam

BY BRIAN AGER

In Search of Steam 1962-68 by Robert Adley. Blandford Press. £10.95. 157 pages.

Aspiring parliamentary candidates traditionally cut their teeth on a constituency they cannot be expected to win and a couple of hundred miles away from where they live. This means they can make mistakes which do not matter and learn something of an unfamiliar part of the country.

But when Robert Adley set out on his political career he asked something more of the first seat he was to fight. It had to provide him with the opportunity to follow his interest as a railway enthusiast. For he was busy "in search of steam" when "proper" locomotives were being replaced by diesels. At the time the old engines were a little tatty and neglected looking—but they still steamed powerfully. The book contains a fine collection of colour photographs of the last of Britain's working steam locomotives. Railway fanatics must not miss this one.

Osbert Lancaster's drawing of Sir Max Beerbohm, at Rapallo, is one of numerous illustrations to William Feaver's entertaining and scholarly "Masters of Caricature" (Weidenfeld and Nicolson, £15.00) a history of the popular art form from Hogarth and Gillray to Scarfe and Levine.

HOW TO SPEND IT

by Lucia van der Post

On the gold trail

Christopher Lawrence's silver coffee set

TO MOST of us the dramatic rises and falls in the price of gold and silver mean little more than the odd glimmer of interest as to what this might mean to the insurance value of our jewellery or our table silver. To the jeweller, the gold or silversmith, it is all a much more complicated matter.

When prices were rising daily, when strident headlines in every newspaper proclaimed the spectacular movements of the world market, the ordinary retailer of gold and silverware had simply to go on selling at the already-decided prices and hope against hope that when he came to replace his stock the prices might have settled back to something less alarming.

In some cases the gamble paid off and, because the whole jewellery trade had been in something of the doldrums for the past two years, by the time they came to buy in new stock gold had dropped from its January 1980 high of about $850 an ounce to around $400 (while silver had fallen from about $24 an ounce to about $6).

In other cases jewellers had to re-stock when gold and silver prices were high and so were unable to mark them down when prices began to fall. All of which means that at the moment the jewellery trade is in a state of disarray and the best advice to anybody who wants to buy something ready-made from an established retail outlet is to shop around. Even that advice is easier to give than to take—how, for instance, do you compare value for money between an 18 carat gold elephant charm and a slim 9 carat gold necklace? The only possible answer can be that when it comes to jewellery, whose principal function after all should be to give pleasure, that you should buy what you like and that if it is investment you are after you should consult your bank or a stockbroker.

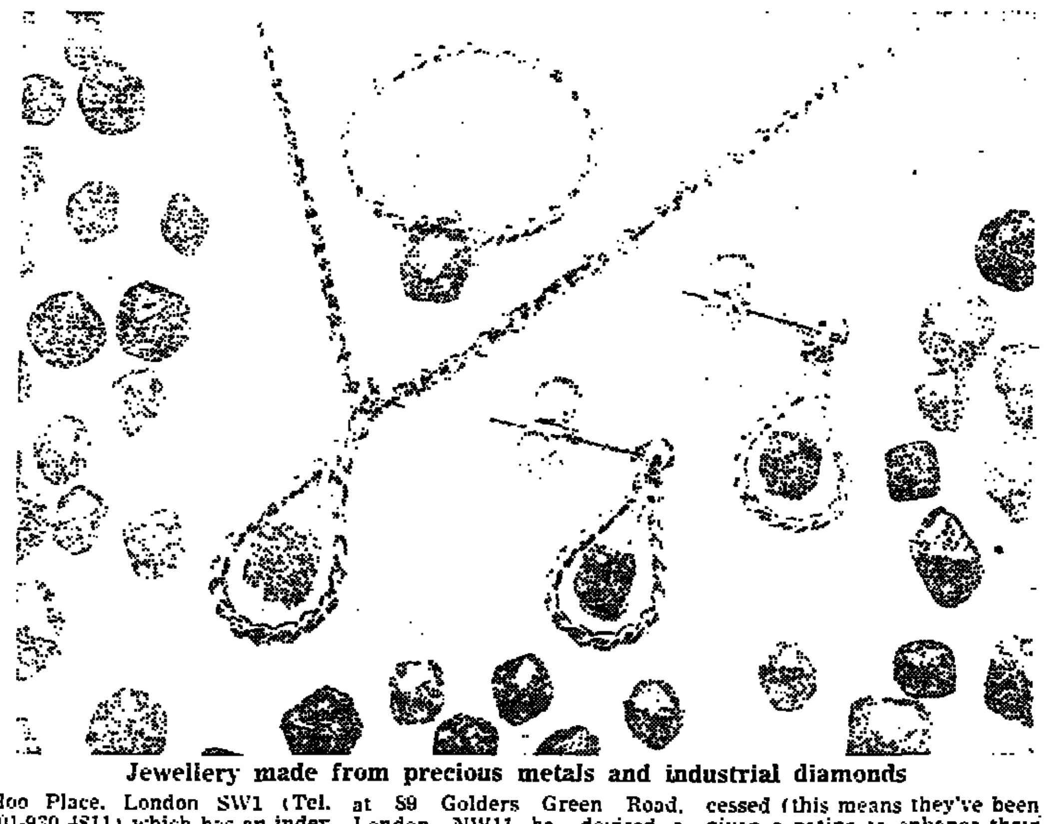
However, there is one area where dramatic falls (and, of course, rises) are almost instantly reflected in the cost to the consumer and that is in the area of commissioned works. If today you were to ask somebody like Christopher Lawrence, a silversmith whose silver coffee service is photographed left, to make you something special that used roughly the same amount of silver, it would now cost you just about half of what it would have cost 18 months ago. The particular set shown here cost about £1,300 all those months ago but now Christopher Lawrence could make something similar for about £650.

Very few pieces of jewellery contain more than about half an ounce of precious material, so the actual cost of the silver or gold doesn't have a great deal to do with the retail price of the finished object. When it comes to the larger special pieces—the rose-bowls, the goblets, the tea-sets, the candlesticks—the cost of the material is obviously more important.

Anybody with a big anniversary to celebrate or any company wanting to commission any piece of ceremonial ware might do well to reflect that now seems like a good moment to go ahead.

Christopher Lawrence is a silversmith of many years' standing—at the height of his fame he had a team of 14 working in his workshop but the recession forced him to re-think his position and he decided he would rather produce fewer pieces, at lower cost, and do all the design and making himself. He can be contacted at 20 St Vincent's Road, Westcliffe-on-sea, Essex. Tel. 0702 44897.

Other silversmiths can be discovered and contacted through the Crafts Council, 12 Waterloo Place, London SW1 (Tel. 01-930 4811) which has an index of selected craftsmen including a slide library showing their work.



Jewellery made from precious metals and industrial diamonds

Though it is well-known that diamond sales are suffering severely from the recession (De Beers results this week showed a drop in pre-tax profits of 45 per cent) unfortunately for the would-be purchaser this doesn't mean they have become any cheaper. So anybody who had hoped to cash in on De Beers' bad times might do better to look at industrial diamonds instead.

Michael Fishberg, who both designs and makes jewellery but also runs his own retail shop called Creative Jewellery at 89 Golders Green Road, London, NW11 has devised a whole range of jewellery which uses industrial grade diamonds.

Most people probably know that about 90 per cent of all diamonds found are of industrial quality and the most intriguing thing about them is the price differential between them and their more highly valued "gem" relations. A 1 carat gem diamond may sell for about £3,000—the industrial stone of the same weight will cost a mere 1 per cent of that.

The photograph shown above shows some of the jewellery that Michael Fishberg has devised. Most of the diamonds used have been partially processed (this means they've been given a patina to enhance their otherwise duller appearance) and they are set in either silver or 9 carat yellow gold. The pendant features a 1 carat diamond, the ring may have either a 1 carat or a ½ carat diamond. The earrings each have ¼ carat stones.

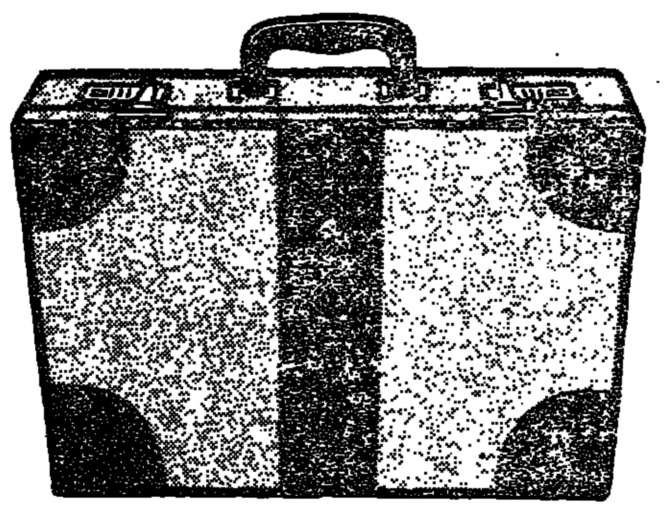
Prices for a 15in sterling silver chain (with 1 carat octahedron diamond) are £19, £32 if made with 9 carat yellow gold. The 1 carat rings are £14.50 in sterling silver, £25 in gold while the earrings are £20 in silver, £34.50 in gold.

They can be bought by mail only from Lagex, P.O. Box 210, London NW11.

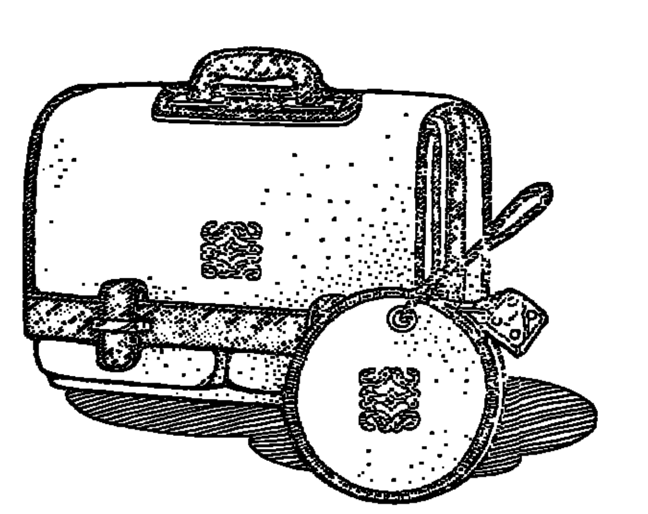
What a carry on

IN THE days when it was mainly men who went out to work (and the women who stayed behind) then the briefcase was a strictly masculine affair. Whatever it really housed (officially a copy of the FT and Very Important Papers) its image was restrained, sensible and sleekly expensive.

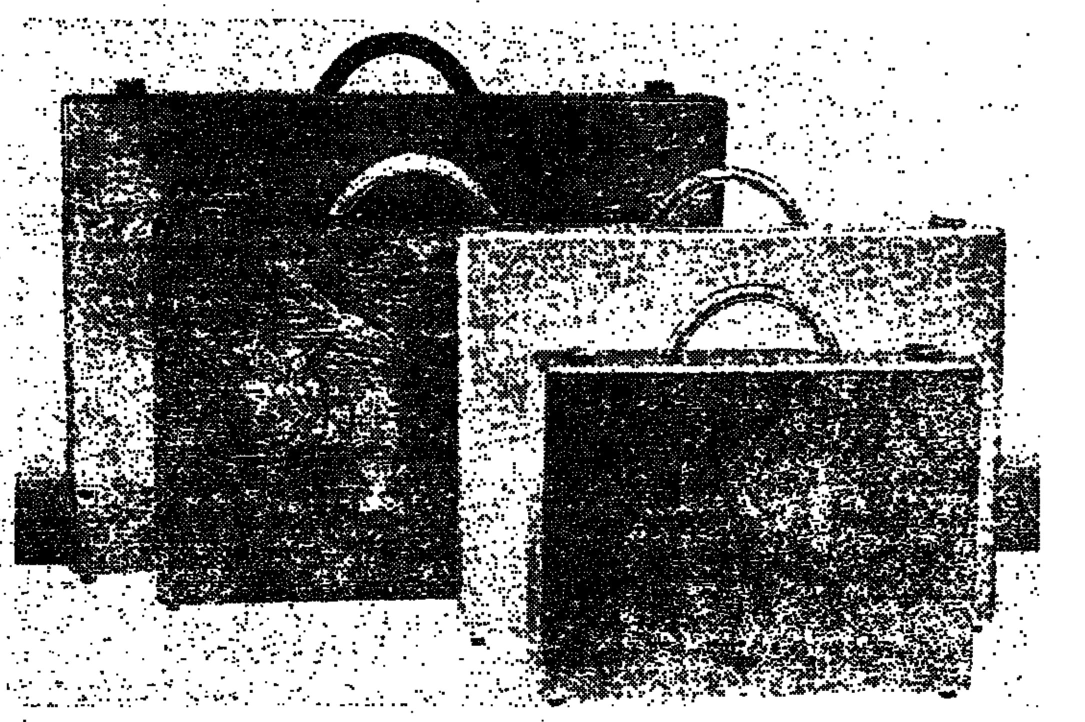
Now, however, women go to work and they too, need to carry important papers and copies of the FT, not to mention other vital things like scent, a change of tights, a good paperback and that night's dinner. It took a long time for the makers of briefcases to come up with any designs that seemed to combine the right degree of practicality with visual appeal. There may be some women who feel at home with the kind of briefcase that men have been carrying for years. To me the image seems much too boss-lady for my taste so here are some alternatives, in lighter vein, for those women who genuinely need something to carry their essentials to and from work.



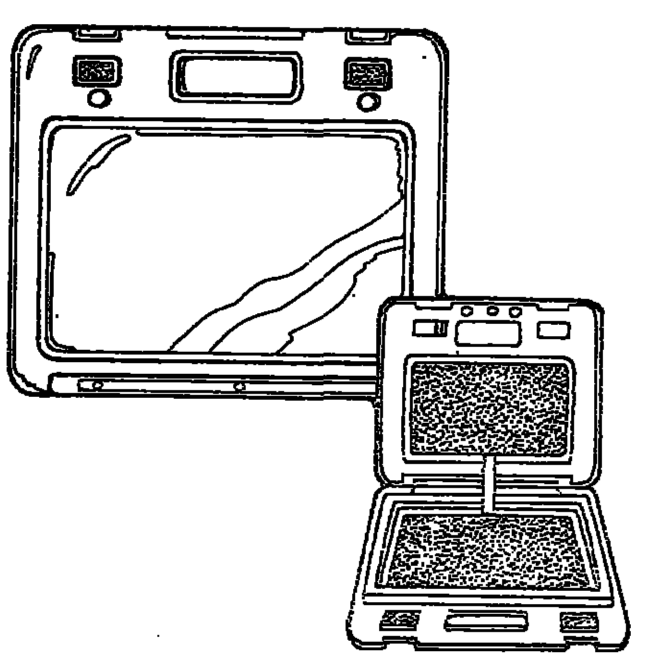
Jan Wheeler



Anne Morrow



Linda Barron, a designer of great talent, who has worked in her time for Missoni of Italy and Afia carpets of Baker Street, who crosses the Atlantic several times a year and is currently working with Debenhams, has designed these portfolio and briefcase size holders. They may seem expensive but they are, in my opinion, in a class apart from all others. The standard sizes are A2 portfolio size and regular briefcase size but they are offered in a variety of finishes. All are made of wood—some are stained in a variety of colours but the most dashing of all are those that are lacquered in pale pearlised colours (the subtle beiges and pinks are especially nice). The cases can be bought directly from 31 Oval Road, London NW1 and cost about £48 for the stained wooden versions. The pearlised ones are about £10 more. For further details contact 31 Oval Road.

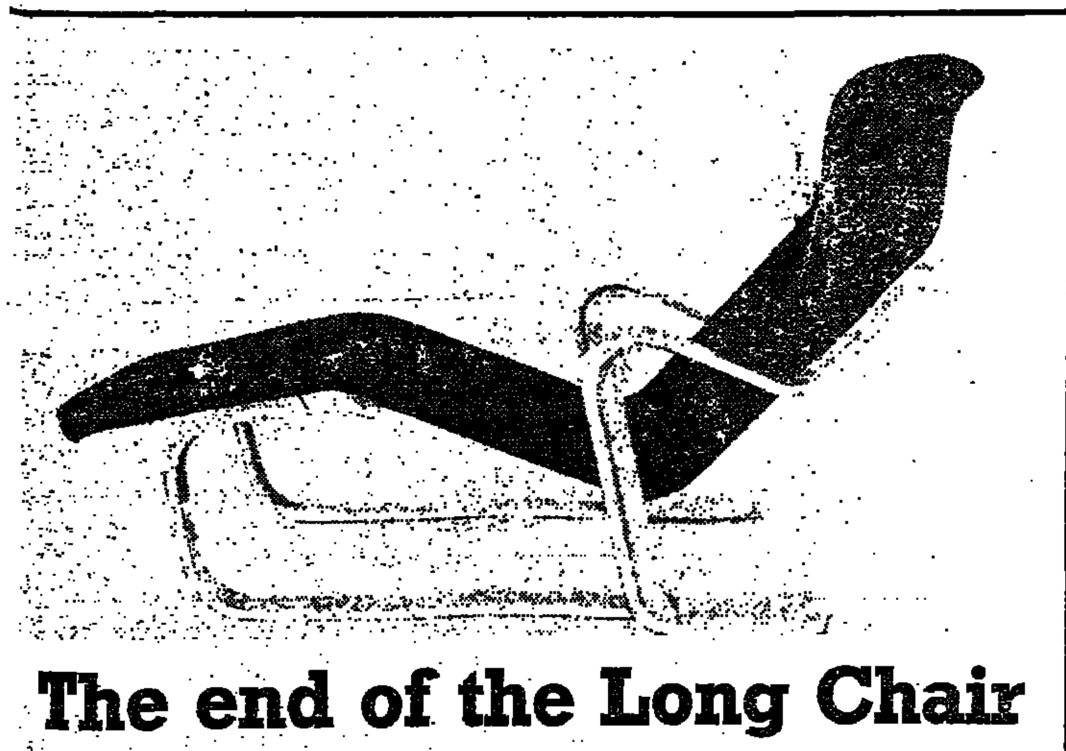


Anne Morrow

LEFT: A traditionally-shaped briefcase is transformed into something bright and amusing by its colouring. Buttercup Designs has taken the oblong shape (in this case it is 12 ins by 17 by 3 ins) and coloured it predominantly blue with red corners and stripe down the middle—for the winter Buttercup Designs offers a more subdued but rather chic khaki and black. The frame is wood but it is covered in showerproof, washable Oxford nylon and has combination locks. About £29.95 from Fenwick of Brent Cross; The Tree House, Kensington High Street, London W8; Spectrum Designs of Harrogate; Bonds of Norwich and Swank of Gloucester.

TOP RIGHT: This is the bag for those who like to let the world know that they have arrived. Whether she has bought the bag for herself, or has persuaded somebody else to buy it for her—it is the bag that shows you (or someone near you) has pound notes a-plenty to flutter. It is, however, more than just a briefcase. Besides being an internationally-recognised jet set status symbol, it is also a very practical over-night bag, with subtly rounded squashy sides for holding all manner of essentials. It is also extremely handsome, being made of soft sandy suede (imprinted with the classy Loewe symbol) with brown leather trim. The bag itself is £449 from the Loewe shop, 25a Old Bond Street, London W1 and if you can't run to that, the little round pouch beside it is only £19.

LEFT: This is the briefcase for the confident, the off-beat, those who don't mind looking and being different. Made from lightweight moulded plastic in a variety of very bright colours (like red and green) as well as the less startling black or white, it is also relatively inexpensive at £13.95. It has two potential disadvantages — though it looks marvellous and is light and easy to carry, it doesn't hold a great deal (measures 13 ins and 14 ins) being rather flat. The plastic also can attract dirt so it needs to be cleaned from time to time with furniture spray polish. It is widely available but can be bought by post (for £1 extra) from Sylvia's of 25 Beachamp Place, London SW3.



The end of the Long Chair

MANY OF you may be familiar with the chair in the photograph above. Designed in the early 1930s by Marcel Breuer for the Isokon Furniture Company, it has been marketed and manufactured in recent years by John Alan Designs of 75, Parkway, London NW1. It is to my mind one of the most satisfactory chairs ever made — not only is it extremely comfortable, but it has about it a timeless look that means it looks at home in almost any environment.

Why, you wonder, am I mentioning it today. The occasion is a sad one — John Alan Designs has finally decided that it is no longer economical to go on making it, but knowing the affection many people have for this particular design, the company has decided to make up one last big batch before finally stopping production. These models will be available at 20 per cent less than the normal selling price of £389.

The frame of the chair is in laminated beech (though it could be made, at a special price, in rosewood, oak or mahogany) and the seat is upholstered in a pure dark charcoal wool fabric, similar to the original Breuer design.

If you've always hankered for an Isokon chair, now is the time to make sure of buying one. Contact John Alan Designs at the Parkway address or at 4, Harcourt Road, Redland, Bristol.

The offer runs for the next three weeks and several models are already in stock. Special orders (different fabrics or veneers) will take 2-3 weeks to complete. John Alan Designs can deliver all over the mainland of the UK for an extra charge of £7.50.

Making faces

BEAUTY, most of us are only too well aware, isn't just a matter of buying a fistful of products—much more important is how the products are used. Readers who already know about Guerlain products, or would like to know about them, might be interested to learn that in the next few weeks Guerlain will be running a series of beauty lessons in some of London's major stores.

Guerlain is, of course, one of the great names in the beauty world with a pedigree that is almost second to none.

Its products are not among the cheapest but then quality products never are.

The Guerlain schools have been a great success in the provinces over the last few years but this is the first time Guerlain has brought them to London. Basically there will be two sorts of classes—the Beauty School which lasts one and a half hours, has two beauticians and a class of no more than 12. The beauticians teach the class about skin-care, hygiene, which products to use and how to apply them. They show how to apply eye make-up (the area most women feel least confident about), are given a skin analysis and a beauty chart. The charge is £4.50 but if you buy any products this is refunded

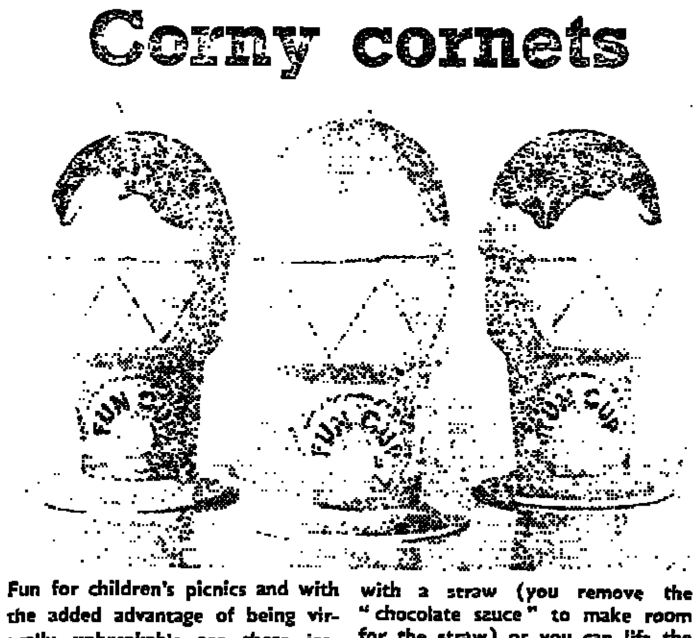
Then there is the mini-class for women who prefer to be in a smaller, more intimate circle. Here there are no more than four people and one beautician. It is much quieter and more concentrated but the same ground is covered. Again there is a booking fee of £4.50 which is refunded if products are bought.

For working women in a rush there is a one hour session running from 12.30 pm to 1.30 pm, including much of the same instruction but in fast form.

Women who have been to the classes seem to like them because not only are they able to try out the products before buying them but also because they learn so many little tips that make all the difference when trying to achieve the same effect at home.

Next week the classes will be at Harvey Nichols, Knightsbridge, London, SW1 (ring the Guerlain consultant in the Perfumery Department on 01-235 5000 for an appointment). Bournes of Oxford Street will be running the schools in the weeks beginning Tuesday, September 1 and Monday, November 9. John Lewis will be running them the week beginning September 28.

Corny cornets



Fun for children's picnics and with the added advantage of being virtually unbreakable are these ice-cream cornet drinking cups. They come in three ice-cream colours—vanilla, strawberry or pistachio, are 5½ ins high and can be used either with a straw (you remove the "chocolate sauce" to make room for the straw) or you can lift the "ice-cream" out of the cornet to make a drinking cup. They are £1.49 each and are widely available, in particular from Timothy White branches.

ARTS

Vanished glories

BY B. A. YOUNG

Is there still, I wonder, an industry in this country which is the source of pride not only to the public but to the participants? The railways were certainly such an industry for a century or more. To the public they were rich with romance; people wrote poems about them, painters like Turner, Frith, Pissarro painted them, all right-minded children determined to be engine-drivers when they grew us. Grown-up engine-drivers knew the same kind of pride as seamen. Even workers in the workshops had some of that pride; last April we heard a programme, *Hammerman*, about Alfred Williams, who worked in the Swindon engine-sheds in appalling conditions and wrote verse about it.

Talking about the exhibition, "All Stations" at the Science Museum on Radio 3 last Sunday, Jeffrey Richards of Lancaster University displays an enthusiasm that struck a wholly sympathetic chord in me. The demolition of the Euston Arch, he said, was equivalent to the destruction of Salisbury Cathedral or Windsor Castle. As for the new Euston Station, it was a cross between an airport lounge and an open-plan public lavatory. Where were the beauties of the old stations at Richmond, Stamford East, Kendal, Wemyss Bay? What modern stops had names like Carlyle Citadel, Hull Paragon, Bristol Temple Meads or Cheltenham Lansdown?

He read us poems, he reminded us of works like Frith's panorama of Paddington (for which Tom Taylor wrote a 32-page pamphlet explaining all the characters — Tom Taylor was the editor of Punch, and today it would have been a 52-week series). He gave way to a paean on steam. He seemed in his enthusiasm to suggest that you could get to Adlestrop from Liverpool Street.

I haven't had an opportunity yet to go to the exhibition (reviewed on August 11 by Gillian Darley), which was originally assembled for the Centre Georges Pompidou in Paris, but if it is one-tenth as enjoyable as Mr Richards's talk it should be the hit of the season. As I write this, it seemed that every station in the country would be cold and silent at the end of the month. The old pride has departed with the kind of impulse that led Paxton to build his fairy palace at St. Pancras: and if Sydney Smith were to say today that railways "abolished time, distance and delay" he would be laughed off. Meanwhile I can console myself with the elegant painted columns at Kemble in Gloucestershire.

While we are in nostalgia country, I should mention a book called *Those Radio Times*, by Susan Briggs (Weidenfeld and Nicolson, £8.95, 232 pages). I suppose it's as logical to be nostalgic about old radio programmes as about old steam-engines; my first introduction was in 1923 at a demonstration at my prep-school by Mr Murphy, whose name subsequently became a trademark. *Those Radio Times* recalls *old programmes* and old personalities, but also old jokes, public reactions, national crises and so on. "My husband is very keen on gardening. He never misses a single talk about it on the wireless" (under a drawing by John G. Walter). "The great advantage of this portable set is that you can carry it about with you" (*drawing by Bert Thomas*). There is serious reminiscence as well as frivolous, and Susan Briggs writes a commentary full of enthusiasm. An index of some kind would be a help.

Like a little appendix to Hugo *Young's excellent series No Minister* was Radio 3's *A Series of Unopened Doors* on Thursday. What kind of life does the Prime Minister have inside 10, Downing Street? Where does he go for advice, what are the sources of influence? Michael Charlton quizzed William Clark, Anthony Eden's Press Secretary, and Sir Derek Mitchell, PPS to *Sir Alec Douglas-Home* and Sir Harold Wilson. Mr Clark has given us his impressions in novel and play, and hand't much to add; but Sir Derek painted a chilling picture of an isolated leader conscious of potential threats on all sides.

And on the same night on Radio 4, there was a repeat of a *fine three-year-old production of She Stoops to Conquer*, directed by Ian Cotterell, to which we were recommended to listen through our stereo headphones. With Leslie Sands, Elizabeth Spriggs, Judi Dench and Wayne Sleep *in the country*, and Anthony Newlands and Michael Williams down from town, this couldn't miss. I duly got out my headphones to experience the "full binaural effect," having dusted them down the previous Friday to hear the Prom while the childlike antics of the Prommers were displayed on the television.

Candide in Edinburgh

BY B. A. YOUNG

The Birmingham Rep's Edinburgh Festival production of *Candide* at the Assembly Hall is a success. It's a fair challenge, to stage a musical in that intractable auditorium. They have met it by filling most of what would *normally* be the main acting area with the orchestra pit containing a useful 14-piece band under Grant Hossack, putting a fairly small stage in front of it and a wide stage above and behind it, and adding an assortment of useful slopes and surfaces on both sides.

There's obviously no room for vast dance routines, but *Candide* can survive without extravagance. As history has shown it can survive on Leonard Bernstein's music alone. Peter Farago, who directs this version, has put *routines on the front stage* from time to time (choreography by Stuart Hopps), but the big effects are achieved by the appearance of his brightly-costumed players all over this great untidy set, and very cheerful it looks.

Candide requires a capacity for infinite playing, for both the book and the lyrics are full of meaningful jokes that need to be heard. (I didn't hear them all on Thursday; there are *problems with amplification*.) The book is not Lillian Hellman's original script, but a new version by Hugh Wheeler (*A Little Night Music, Sweeney Todd*): and the original lyrics by Richard Wilbur have been *augmented with new lyrics by* Stephen Sondheim. The music also needs more attention than usual, for Bernstein hasn't gone in for catchy tunes, as he did in *West Side Story*. Everyone comes out humming the same four bars, from a song called "Soon" that is used in the overture, now a standard concert piece. But the music, like the words, is worth listening to with extra care, as it slides teasingly from one key to another.

Candide himself need have no qualities but innocent charm and a pleasant voice, and *William Relton has both of* these. As Cunégonde, Rosemary Ashe needs also the capacity to become an instant harlot, and she does it very prettily. As the shared mistress of the Grand Inquisitor and a wealthy jew, she throws off the coloratura of her song "Glitter and Be Gay" very nicely. Mark Wynter plays her proud brother

Anine Wensak, Jenny Michelmore and Nickolas Grace

Maximillian, who is constantly surviving death without a scar on his matchless features: Paquette the sexy maidservant *is choicely done by Yvonne* Edgell. There is a lot of fun from Nichola McAuliffe as the old woman with one buttock, who falls in with Candide and Cunégonde on their alarming Odyssey, and gives us a lot of fun.

Above them all looms Dr Pangloss; teaching them that everything is for the best in the best of all possible worlds. He bears a notable similarity to the elderly white-wigged Voltaire, who comes to fill in *the details of the story for us*, and indeed they are both Nickolas Grace. So, later on, is the hot-blooded Governor of Montevedeo, a charming study of aristocratic indolence. It was good to be reminded of his real talent. *As Dr Pangloss said*, "From what is worst, what can come but something better?"

Orfeo at Coliseum

BY MAX LOPPERT

The first great opera, the *favola in musica* of 1607, was created by two servants of the court at Mantua—Monteverdi, the *maestro di cappella*, and the younger Striggio, shortly to become a ducal secretary. It was produced for the delectation of an élite audience (and provides thus a contrast, in formal plan and range of characterisation, with Monteverdi's two other extant operas, *Ulisse* and *Poppea*, written much later for public theatres). Today, of course, the whole *notion of an élite audience is* viewed with the gravest suspicion.

Indeed, the premise on which is built the new English National production (unveiled in Nottingham last April, *introduced to London on Thursday*) is an intentional up-ending of the Monteverdi-Striggio premise. As conceived by David Freeman (whose *Acis and Galatea* for the Opera Factory Zurich landed with a thump at the Riverside Studios last August), the new *Orfeo* is "popular," and therefore unimpeachably "relevant"—with *a vengeance*.

"The production," a note in the programme informs us, "is set in a contemporary peasant village on the eastern shores of the Mediterranean." By "contemporary" the present day is *evidently meant*—and is indicated by an outcrop of pork-pie hats on male heads that sits alongside the rummage through the folk-weave stalls of the Portobello Road market that appears to have provided the cast with its get-up, and also the background of brightly patterned rugs hung on poles. This is to be a play-within-a-play, decked with "local" ritual; and so after the cast has busied itself with such introductory *matters* as rolling Orpheus in a carpet, passing around a communal bowl of food (macrobiotic, no doubt), clumping about in Mediterranean square dance, wrestling, and pelting each other with flowers, the business of heavy emoting and intense "relating," of getting through to the nitty-gritty, can begin in earnest.

The Stygian and Hades acts find the players (all except Pluto) in artfully contrived rags and tatters shovelling forward Mr Freeman's stale leavings of Grotowski and Peter Brook, *striking madness poses*, mopping and mowing and being roundly uninhibited—this is, after all, Experimental Opera (as a concluding programme *note on Opera Factory London*, shortly to take shape with ENO blessing, assures us) and so, naturally enough, these are the denizens of Charenton-on-Styx. Act 5 returns us to folk-weave country, and after Apollo has translated Orpheus to the heavens with a wave of an orange cloth, it's all smiles and a concluding hoe-down. (At some point during the evening, one began to wonder whether the show was not a cunningly contrived public-relations exercise *to win* the company the support of the present GLC by parading a new-found interest in "ethnic minorities.")

The musical side of the performance is in the hands of John Eliot Gardiner and the English Baroque Soloists, a slimmed-down, un-Leppardised assembly of sackbutts, cornetti and clarini, five strings, and a *variety of continuo instruments* carefully chosen and unobtrusively applied. It is a faithful realisation forward, light, and limpid; but I have to confess an almost total inability to comment thereupon with any greater certainty, for the production set up so massive a barrier between me and the music that it was hard to take *in anything other* than the hopefully-simple, in fact ineffably fancy stage routines in which Monteverdi's unadorned and normally overwhelming invention was being smothered.

One heard and noted good, clear delivery of Anne Ridler's translation by, among others, Jennifer Smith (Music), Laurence Dale (a shepherd), Sean Rea and John Tomlinson (*Charon*) *among the lower* voices and especially Della Jones as messenger of woe; to the title role Anthony Rolfe Johnson brought signal virtuosity, sensitivity and, where needed, agility, though the tone sounded soft-grained and the tenor did not always avoid crooning. For me there was no hope of being affected directly by the combustion of word, vocal line and dramatic situation; at the opening of the third act, silently enacted for several *minutes, one* realised with a shock how much more enjoyable the whole evening might be if Monteverdi's contribution to it were excised *entirely*.

As it stands, the dominance of wishful thinking, of *nostalgic de la boue* revived and given impeccably fashionable theatrical credentials, is what one takes away from the *experience*. It was obviously undertaken in great sincerity—the wholehearted application and devotion of the cast is testimony *enough to that and to the* conviction with which the producer has pursued his aims. But sincerity alone is no guarantee of true artistic seriousness: what we have here, it seems to me, is the sheerest whimsy and, *against all the odds posed by* Monteverdi's music, an evening of mind-boggling fatuity.

Greenwich Theatre new season

Subscription booking facilities are now open for the next Greenwich Theatre season. Seven plays are announced for 1931-82, all of which can be seen from one regular seat for £17.50. Run along *similar lines* to that operating at the Birmingham Rep, the system favour local loyalists prepared to risk one or two disappointments in order to catch the prestige productions before they transfer to the West End.

One such production might well be the first major *London revival of* Terence Rattigan's *The Deep Blue Sea* starring Dorothy Tutin which opens the season on September 23. This is followed, on November 4, by Julian Mitchell's new play, *Another Country*, which sets out to explore the seeds of treachery and betrayal in an English public school of the 1930s. *Sheridan's* classic comedy, *The School For Scandal* opens on December 16, and the festive mood will be hopefully maintained with a revised version of Alan Ayckbourn's *Season's Greetings* on January 27.

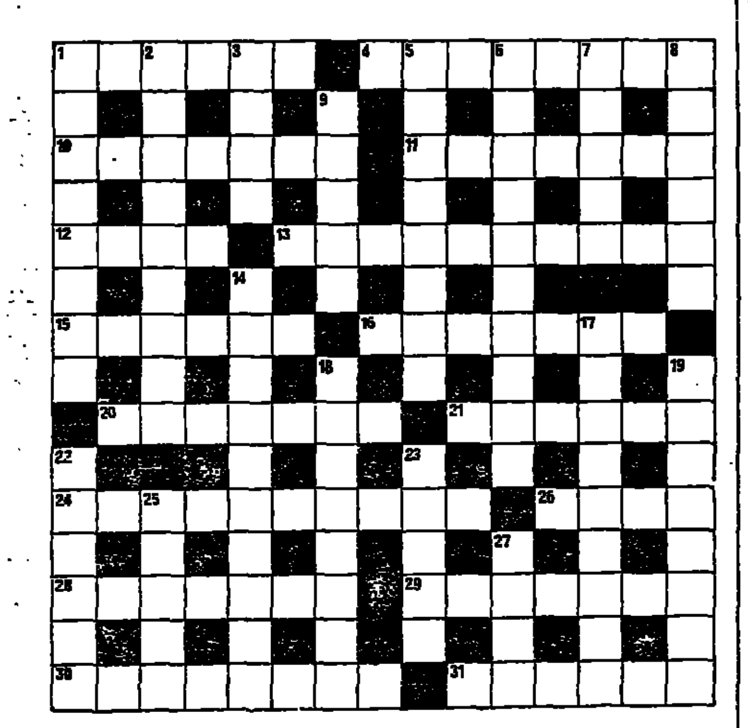
Jean-Paul Sartre's political thriller *The Assassin* (better known in translation as *Crime Passionnel*) opens in a new version by Frank Hauser next March, followed in April by Roy Hudd's tribute to America's 19th century songsmith Stephen Foster, *Beautiful Dreamer*. The season closes in June with what the theatre promises will be the last of its series of Noël Coward revivals, *Design For Living*. The theatre's artistic director, Alan Strachan, will direct both the Rattigan and the Coward and his company for the latter will be headed by Maria Aitken and Ian Ogilvy.

F.T. CROSSWORD PUZZLE No. 4,653

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



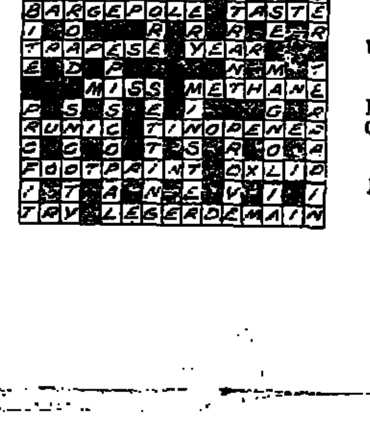
DOWN

1 Commission agent — an element in bringing about a certain result (6)
4 Transverse *rod holding* hybrid fish (8)
10 Animal's identification symbol to set aside for a particular purpose (7)
11 Distinctive sort of constable (7)
12 Individual upper-class fool (4)
13 Counterfeit coin from the South could be a misleading *1 Across* (5, 5)
15 A person whose name is not given on many mixtures (6)
16 Fight with a clumsy fellow and *hide* (3-4)
20 Mother with fruit from a rounded hill (7)
21 Deliver plaster to melt (6)
24 Having bodies of constables vocalise (10)
26 A way I make wine (4)
28 *Indolence* I retain when disturbed (7)
29 Fish to cook, but not completely (7)
30 Produce unit of DNA to value (8)
31 Gave a quick kiss and stumbled (6)

DOWN

1 Insulated cable on mountain is bending (8)
2 Van or car I used for flesh-eating animals (9)
3 Precious stone showing love to friend (4)
5 Oppose Other Ranks in radio and *television component* (8)
6 Call on ringleader and gullible person making crinkly fabric (10)
7 Cheese found around the North Sea? (5)
8 Left *in water-crowfoot* to narrate (6)
9 Hail in Scandinavia (5)
14 Symbolise dog and compositor (4-6)
17 Refined woman with protective garment holding a flower (4-5)
18 Faithful and unchangeable fixed quantity (8)
19 Bound an item and *despatched initially* (8)
22 Season to jump (6)
23 Bird to pick off by rifle fire . . . (5)
25 . . . and bird from the South in hind part of vessel (5)
27 Unusually bare Scottish hill-slope (4)

Solution to Puzzle No. 4,652



TV/Radio

† Indicates programme in black and white

BBC 1

7.15-8.30 am Open University (Ultra high frequency only). 9.05 Play Golf with Peter Alliss. 9.30 Buzzfax. 10.52 Weather. 10.55 Golf: Benson and Hedges International Open.
12.30 pm Grandstand: Football Focus from Wembley (12.35) Bob Wilson previews the FA Charity Shield between Aston Villa and Tottenham Hotspur; Athletics from Berlin (12.55): IAAF Golden Sprints; Golf (1.15, 2.55, 4.05): Benson and Hedges International Open; Racing from Chester (1.35, 2.05, 2.35); Bowls (1.55, 2.05, 3.35): English Bowling Association Men's Singles Final; Athletics (3.15, 3.50): British Meat Inter-Counties Championships; 5.00 Final Score.
5.05 News.
5.15 Sport/Regional News.
5.20 Kung Fu.
6.30 Pop Quiz.
7.00 The Saturday Film: "Sole Survivor," starring Vince Edwards.
8.30 Summertime Special.
9.15 News and Sport.
9.25 Flamingo Road.
10.55 Match of the Day.
11.55 House Calls.

All Regions as BBC 1 except as follows:—

Cymru/Wales — 5.15-5.20 pm Sports News Wales.

Scotland—10.55 pm Goldie and Liza Together. 11.40 House Calls. 12.05 am News and Weather for Scotland.

Northern Ireland—4.55-5.05 pm Scoreboard. 5.15-5.20 Northern Ireland News and Sport. 12.20 am News and Weather for Northern Ireland.

England—5.15-5.20 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-2.45 pm Open University.
†3.00 Saturday Cinema Double Bill: "The Bride Wore Red" starring Joan Crawford, Franchot Tone and Robert Young, and at 4.40 pm †"Mildred Pierce" starring Joan Crawford.
6.30 One Man's River.
7.00 News and Sport.
7.15 Spirit of Asia.
8.15 Yours Sincerely.
8.55 Newsnight in Pakistan.
9.45 Golf: highlights.
10.25 News On 2: weather.
†10.30 Horror Double Bill: "The Body Snatcher" starring Boris Karloff.
11.40 pm "Theatre of Blood" starring Vincent Price.

LONDON

8.45 am Sesame Street. 9.45 Joe 90. 10.10 The Beachcombers. *10.55 Thunderbirds. 11.30 Clapperboard*. 12.00 The Lost Islands.
12.30 pm World of Sport: 12.35 International Sports Special—(Part 1) Swimming, plus Surfing and High Diving; 1.15 News; 1.20 The ITV Seven from Kempton and Rippon; 3.10 International Sports Special—(Part 2) Stock Car Racing from *Northampton*; 4.00 Wrestling: 4.50 Results Service.
5.05 Worzel Gummidge.
5.35 News.
5.40 Chips.
6.35 Mind Your Language.
7.05 Happy Days.
7.35 "North By Northwest" starring Cary Grant, Eva Marie Saint and James Mason.
10.00 News.
10.15 Denis Norden's World of Television.
11.20 Let's Rock!
11.50 Mannix.
12.45 am Close.

All IBA Regions as London except at the following times:

ANGLIA

9.25 am Sesame Street. 10.25 Clapperboard †10.50 Saturday Morning Film: "Convict 99" starring Will Hay. 5.05 pm Under Manning. 6.35 The Video Entertainers 7.05 Mind Your Language 11.50 Superstar Profile. 12.20 am At the End of the Day.

ATV

9.10 am *A Better Read* 9.35 The Television Programme 10.00 Clapperboard. 10.30 The ATV Saturday Morning Picture Show 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 The Video Entertainers. 7.05 Mind Your Language.

BORDER

9.10 am A Better Read. 9.35 The Television Programme 10.00 The Flying Kiwi. 10.25 World Famous Fairy Tales. 10.35 Joe 90. 11.05 240 Robert. 12.00 Clapperboard 5.05 pm Under Manning. 6.35 The Video Entertainers. 7.05 Mind Your Language.
5.05 pm Under Manning 5.40 Puffin's Plaiice 6.35 The Video Entertainers *7.05 Mind Your Language*. 11.50 The New Avengers.

GRAMPIAN

9.35 am Larry the Lamb in Toytown. 9.40 Cuir Car. 10.10 The Flying Kiwi 10.40 Here's Boomer. 11.10 Thunderbirds. 12.00 Clapperboard 5.05 Under Manning, followed by Highland League Results. 5.40 The Incredible Hulk. 6.35 The Video Entertainers 7.05 Mind Your Language. 11.50 Reflections. 11.55 The Next Step Beyond.

GRANADA

9.35 am *The Television Programme*. 10.00 Cartoon 10.05 Saturday Morning Pictures: John Wayne in "She Wore A Yellow Ribbon" 12.00 Clapperboard 5.05 Under Manning. 5.40 Return of the Saint 6.35 The Video Entertainers 7.05 The Sale of the Century. 11.50 Thriller: "Look Back in Darkness"

HTV

9.10 am The Television Programme. 9.35 The Further Adventures of Oliver Twist 10.05 Clapperboard 10.30 Happy Days. 10.55 "Ring Of Fire" starring David Janssen. 12.28 pm HTV News. 5.05 Under Manning. 5.39 HTV *News. 5.40 Return of the Saint*. 6.35 The Video Entertainers. 7.05 Mind Your Language.

HTV Cymru/Wales—As HTV West except: 5.05-5.35 pm Sion A Sian.

SCOTTISH

9.10 am A Better Read. 9.35 The Television Programme. 10.00 Here's Boomer. 10.25 Joe 90. 10.50 Larry The Lamb in Toytown. 11.05 Chopper Squad 12.00 Clapperboard. 5.05 pm Under Manning 5.40 Return of the *Saint*. *6.35 The Video Entertainers*. 7.05 Mind Your Language. 11.50 Late Call.

SOUTHERN

9.05 am Sesame Street. 10.05 Mork and Mindy. 10.35 Thunderbirds. 11.30 Clapperboard 12.00 The New Fred and Barney Show. 12.27 pm Regional Weather Forecast. 5.05 Under Manning. 5.40 The Incredible Hulk. 6.35 The Video Entertainers 7.05 Mind Your Language 11.50 Southern News. 11.55 Paris by Night.

TYNE TEES

9.00 Cartoon Time. 9.15 Thunderbirds 10.05 Saturday Morning Movie: "Ferry To Hong Kong" 12.00 Clapperboard. 5.05 pm Under Manning. 5.40 North East News 5.42 Chips. 6.35 The Video Entertainers 7.05 Mind Your *Language*. 11.20 *Then Came* Bronson. 12.30 am Poets Corner.

ULSTER

10.05 am Thunderbirds. 1.05 240-Robert. 12.00 Clapperboard 5.05 pm Under Manning. 5.38 Ulster News. 5.40 Return of the Saint. 6.35 The Video Entertainers. 7.05 Mind Your Language 10.14 Ulster Weather. 11.20 Sports Results. 11.25 Bedtime.

WESTWARD

9.25 am The Flying Kiwi. 9.50 Look and See. 9.55 Stingray. 10.20 Gus Honeybuns Birthdays. 10.25 Clapperboard 10.50 Cartoontime †10.55 The Saturday Morning Picture Show. "The Big MGM Parade of Comedy." 12.27 pm Westward News. 5.05 Under Manning. 5.40 Westward News. 6.35 The Video Entertainers. 7.05 Mind Your Language. 11.50 The New Avengers. 12.45 am Faith For Life 12.50 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am A Better Read. 9.25 Spiderman 9.40 Little House on the Prairie. 10.25 Clapperboard. 10.50 The Saturday Morning Picture Show: "Sands Of The Desert" starring Charlie Drake. 5.05 pm Under Manning. 5.40 Return of the Saint 6.35 The Video Entertainers. 7.05 Mind Your Language. 11.50 In Concert.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright 1.00 pm 25 Years of Rock (S). 2.00 A King in New York (S). 2.05 Star Wars (S). 2.30 Paul Gambaccini (S). 4.00 Peel's Pleasures (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Tony Brandon with The Saturday Early Show (S). 8.04 David Jacobs presents Star Sounds (S). 10.00 Pete Murray's Open House (S). 12.00 Two's Best (S) 1.00 Punch Line. 1.30 Sport on 2: Football: The Charity Shield: League Champions Aston Villa v FA Cup Winners Tottenham Hotspur, plus news of all other games played today: Golf: Benson and Hedges International Open: Racing from Kempton Park at 2.00 (Recitation Stakes) and 2.30 (Sportsman Club Handicap). classified *racing* check at 5.45, plus news of the rest of today's sport. 6.00 Country Style. 7.02 Cricket Desk. 7.00 Three In A Row. 7.30 Cricket Desk. 7.33 Big Band Special (S). 8.00 Saturday Night is Gala Night (S). 10.00 Hilversum Greets Radio 2 (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 The *Rising Generation* (S). 4.15 The Polignac Salon (S). 6.00 "Tristan and Isolde"—The English National Opera production from The London Coliseum (Act 1) (S). 6.30 The Festival Scene in America. 7.00 "Tristan and Isolde" (Act 2) (S). 8.25 Learning to Love Architects. 9.15 "Tristan and Isolde" (Act 3) (S). 11.00 News. 11.05-11.15 *Chabrier piano duet* (S).
VHF Only—Open University—5.55-7.55 am; 11.15-11.55 pm.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, Programme *News*. 7.00 *News*. 7.10 *On Your Farm*. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, Programme News. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Breakaway. 9.50 News Stand. 10.05 Where's the Party. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 *News*. 12.02 pm A Small Country Living. 12.27 I'm Sorry, I Haven't A Clue (S). 12.55 Weather. Programme News. 1.00 News. 1.10 With Great Pleasure (S). 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty Minute Theatre. 3.00 Medicine Now. 3.30 Enquire Within (S). 3.40 Novels Up To Now. 4.10 Profile. 4.30 Does He Take Sugar? 5.00 One Man's River. 5.25 Injury Time (S). 5.50 Shipping Forecast. 5.55 Weather, Programme News. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop *the Week Again with Robert Robinson*. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 A Walk on the Dark Side. 11.00 Lighten Our Darkness. 11.15 New Voices 11.46 Ray Gosling visits Skelmersdale New Town, Lancashire. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.30 News. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend *What's On*. 8.30 Bob Powel's London Country. 10.00 News. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Breakthrough. 4.00-5.00 am Join Radio 2.

London Broadcasting

7.00 am AM—Jenny Lacey and Dave Loyn. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 LBC Special (Teenage Disability). 9.00 The London Interview. 10.00 Nightline. 1.00 am Night Extra. 4.00 Hayes On Sunday. 4.30 Decision Makers. 5.00 Morning Music.

Capital Radio

7.00 am Graham Dene's Breakfast Show. 9.00 Countdown with Peter Young. 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's Afternoon *Delight*. 5.00 *Greg Edwards's* Soul Spectrum. 8.00 Summer in the City. 10.00 Roots Rockers. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 385

1...RxB! 2 QxR, N-K6; 3 PxN, BxP ch; 4 K-B1, Q-B6 ch; 5 K-K1, Q-B7 mate.

Solution to Problem No. 385

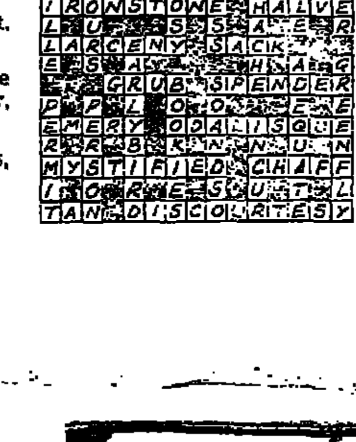
1 R-N8! RxR; 2 BxR, KxN; 3 B-N3 mate. Not 1 R-N4? R-R5! Nor 1 R-B3? R-QB1!

Solution and Winners of Puzzle No. 4,647

Mrs M. E. Booth, Pinecroft, Upper Dunsforth, York.

Mrs E. Massey, La Ferme de la Fontaine, Grouville, Jersey, Channel Islands.

Sir John Jarratt, Matelots, Ingles Road, Folkestone, Kent.



LEISURE

BRIDGE

E. P. C. COTTER

HERE ARE two hands which appealed to me. The first occurred in a Championship Pairs, and this is what happened at one table:

N
♠ K 10 7
♡ J
◇ J 10 5 3
♣ A Q 10 7 3

W
♠ 5
♡ K 10 8 4 3 2
◇ A 9 8 4 2
♣ 5

E
♠ 9 6 4
♡ A 9 6
◇ Q 7 6
♣ K J 6 2

S
♠ A Q J 8 3 2
♡ Q 7 5
◇ K
♣ 9 8 4

With neither side vulnerable, West dealt and opened the bidding with two hearts (weak). North passed. East raised defensively to three hearts, and South came in with three spades. This was raised by North to four spades, and all passed.

West led the eight of hearts, East won with the Ace, and returned the four of spades, won by the seven. South led dummy's three of diamonds, and his King lost to the Ace. West switched to the five of clubs, South won with dummy's Ace, played the diamond Knave, which was covered by East's Queen, and ruffed in hand. Now he ruffed a heart on the table, cashed the diamond ten, on which he discarded a club, and ruffed the last diamond in hand with his eight of spades, and his Queen of hearts with dummy's King of spades.

At this point, holding Ace, Queen, Knave of spades and the nine of clubs, having already taken seven tricks, he claimed his contract, conceding the club.

This was very competent play by the declarer. He saw the importance of dummy's Knave and ten of diamonds, and decided to rely on setting up a trick in that suit, instead of trying finesses in the club suit which were doomed to failure.

You may say that there is nothing spectacular in the play. True, but when I tell you that three South players in this international field failed to make more than nine tricks, you may show a little more respect.

The second example occurred some two weeks ago in a *partie fixe*:

N
♠ J 8 7 3
♡ 8 5
◇ J 7 5 4
♣ 10 6 5

W
♠ A 10 6 2
♡ Q 6 3
◇ A K Q
♣ 9 8 2

E
♠ Q 9
♡ J 9 7 2
◇ 9 8 2
♣ A 7 4 3

S
♠ K 5 4
♡ A K 10 4
◇ 10 6 3
♣ K Q J

With neither side vulnerable, I dealt in the South seat and bid one no trump. This was followed by three passes, which was disappointing as we had been holding poor cards, but when I saw the hand my partner put down, I felt that Fortune was indeed playing an insolent game.

West led the diamond Ace, on which East played the two, and switched to the nine of clubs. East took her Ace, and returned the three to my King. I now led my spade King, which may surprise you, but it is a play which is likely to gain a tempo. The King will almost certainly be permitted to win, and this is just what happened. East dropped the nine, which was interesting, so I continued with the four to the seven and Queen.

Winning East's club return with my Queen, I started to do some counting. West seemed to have begun with four spades, and three cards in each of the other suits. I returned the six of diamonds. West won with the Queen, and cashed the King. West switched to the heart three, I took East's Knave with my King, and led back my last spade. West's Ace won, and East, for some extraordinary reason threw a heart. Now West had no good move at his disposal. A heart return would give me three more tricks in the suit, a spade would allow me to score dummy's two Knaves and my Ace of hearts. Fortune had relented, and we won the rubber.

CHESS

LEONARD BARDEN

PAUL LITTLEWOOD capped a fine performance at last week's Grieveson Grant British Championship by taking the title unbeaten after leading throughout. Aged 25 and an international master, he has been near the top for some years without quite matching the established England players. The new feature in his game at Morecambe was that he went for wins — and got them — against former champions Hartston and Bellin and No. 1 seed Chandler, while in the final round against Jonathan Speelman, the grandmaster, he drew easily as Black in only 20 moves.

Final leading totals were Littlewood 9 out of 11, Speelman 8, Bellin, Hall, Hartston, Pritchett and Rumens 7½, Chandler and Short 7. Grandmasters Miles, Nunn, Stean and Keene were missing but this was still a strong championship.

Of the prizewinners only John Hall is without an international title. Grieveson Grant's generous sponsorship (over £5,000 was at stake) has transformed the competitive atmosphere and the four years of their support have, not by chance, coincided with a sustained improvement in Britain's international chess standing.

There was disappointment among the watching public that Nigel Short, who nearly won the title two years ago at 14 and triumphed in BBC 2's Master Game earlier this year, was rarely in contention. Short sometimes overpressed and he lost to Speelman for the fourth time in four attempts, but on the credit side his wins displayed masterly economy.

White: A. D. Martin.
Black: Nigel Short.
King's Indian (Grieveson Grant British Championship 1981)

1 P-Q4, N-KB3; 2 N-KB3, P-KN3; 3 P-B4, P-Q3; 4 N-B3, B-N5; 5 P-KN3.

Black's opening is unusual but well worth attention as a method of reaching a King's Indian (B at KN2) formation while avoiding the main book lines. Though White's answer is playable, it is more practical to avoid doubled pawns by 5 P-K3 or 5 P-K4.

5...BxN; 6 PxB,B-N2; 7 B-N2, 0-0; 8 0-0,P-B3; 9 P-Q5.

A blocked centre favours knights against bishops, so White should prefer 9 P-B4 and if P-Q4; 10 PxP,PxP; 11 Q-N3 keeping the game open.

9...P-B4; 10 R-K1,N-R3; 11 B-N5,N-B2; 12 Q-Q2,P-QR3; 13 P-QR4,R-N1; 14 B-R3?

The opening is already a success for Black. He can advance on the Q-side with a long-term attack on White's QNP, while White lacks the normal push P-K4-5. White makes matters worse by ignoring the black plan instead of countering by 14 B-KB1.

14...R-K1; 15 R-K2,P-N4; 16 BPxP,PxP, 17 PxP,NxNP; 18 NxN,RxN; 19 R-R7,R-N5 (stopping Q-R5); 20 Q-K1,P-R3; 21 B-QB1,B-B1; 22 P-B4?

Another error, losing the QP. White had to try 22 Q-Q1,Q-N1; 23 R-R3,Q-N3 with passive defence of his weak pawns.

22...Q-N1; 23 R-R3,NxP; 24 B-Q7,R-Q1; 25 B-B6,R-Q5; 26 P-B5 (a desperate gesture at attack), PxP; 27 R-Q2,RxR; 28 QxR,N-B3; 29 Q-B4,Q-N5! 30 QxQ,PxQ; 31 R-N3?

A final blunder. 31 R-R6 avoids loss of a piece, but leaves him two pawns down in the ending.

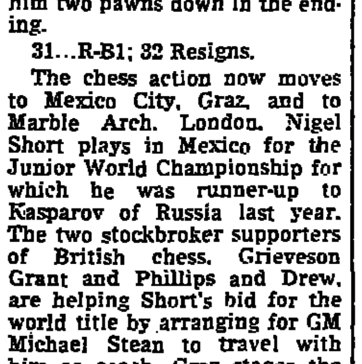
31...R-B1; 32 Resigns.

The chess action now moves to Mexico City, Graz, and to Marble Arch, London. Nigel Short plays in Mexico for the Junior World Championship for which he was runner-up to Kasparov of Russia last year. The two stockbroker supporters of British chess, Grieveson Grant and Phillips and Drew, are helping Short's bid for the world title by arranging for GM Michael Stean to travel with him as coach. Graz stages the World under-26 team championship, where England won in 1978 and were second to the USSR in 1980.

An England v USSR battle may also occur in the Lloyds Bank Masters at the Mount Royal Hotel (August 25-September 2). Ex-world champion Smyslov is top seed, and the home contingent is led by GMs Miles and Keene.

POSITION No. 385

BLACK (11men)

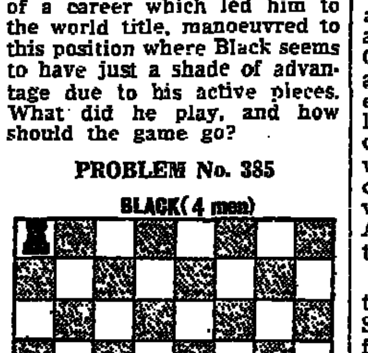


WHITE (11men)

Lisitsin v. Smyslov, USSR championship 1944. Smyslov (Black to move) near the start of a career which led him to the world title, manoeuvred to this position where Black seems to have just a shade of advantage due to his active pieces. What did he play, and how should the game go?

PROBLEM No. 385

BLACK (4 men)



WHITE (7 men)

White mates in three moves at latest, against any defence (by F. Giegold).

Solutions, Page 10

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Jewels of Sussex

"This much-painted jewel of Sussex villages—the happy sketching ground and resort of generations of artists—is pre-eminently the most picturesque in the whole country."
Gerald Burn (1859-45), *Sussex County Magazine*, 1934.

COLLECTING

JUNE FIELD

IN THE old church building in Amberley, West Sussex, now the local arts centre, there is an exhibition of an evocative collection of paintings and drawings of some 40 artists who lived and worked over the last 100 years in the village, plus some from those who still do.

Some names will be known, others not; but it is a remarkable achievement by the two young artists who run the gallery, Simon Yollands and Jonathan Lincoln-Gordon, to have researched and gathered so much of the output of a group of painters to whom the combination of river, water meadows and thatch cottages proved an irresistible attraction.

In the early and middle part of the century there were probably about 20 studios (some 17 remain, although not all are now owned by artists), a large enough percentage in such a small place to warrant the term artists' colony. Says Simon: "We are not suggesting that they worked together as a group, because there was a great diversity of approach, but naturally a certain amount of their output was concerned with the local landscape and scenes of rural life. Favourite subjects were Amberley's Wild Brooks, which vary from pasture to flood according to the season, the chalkpits, the castle and the South Downs."

Some of the artists lived in adjacent Sussex villages, such as Jose Weiss (1859-1919), landscape painter who designed and built an early glider, and who carried out trial flights from Amberley Mount. He moved to Houghton House, Houghton, in 1897, where Arthur Rackham (1867-1939) lived from 1921-30. (There is an exquisite Rackham water colour in the exhibition, based on *The Wind in the Willows*.)

Star of the show is Edward William Stott (1859-1918). Born in Rochdale, Lancashire, son of a cotton spinner, he came to live in Amberley around 1885. Through a benefactor impressed by his efforts at the local art school when he was working in a Manchester office, he was able to go to Paris to the *Ecole des Beaux Arts*, studying with Cabarel and Carolus Duran.

In a delightful little book, *Amberley Heritage*, by Wilfred Cheal, which I bought in the Downland Craft Shop next door to the Black Horse where I had lunch, Mr Cheal says Stott was persuaded only occasionally to talk of his early days in Paris: "His studio was over an abbatoir, but he said that, because of his concentration on his work he hardly noticed the smell, or his constant hunger. He existed for the first part of the time on 6d a day, and he would go round the easels in the studio collecting the bits of bread that the students used for rubbing out."

In the excellent catalogue to the exhibition of Stott's work at the Fine Art Society in June, 1976, Peyton Skipwith referred to Stott's work process as long and painstaking, starting with brief jottings about light effects and tone, followed by pencil drawings, then pastels, each slowly getting more elaborate, until every detail was resolved. Of the oils, they were "painted in an elaborate technique of small brush strokes built up layer upon layer; the earlier ones have quite heavy impasto, but later a *pontilliste* effect was achieved through glazing."

Stott's fine oil, "On a Summer Afternoon," on consignment from the Fine Art Society, is at the Amberley show, which also includes various pencil, pen and ink, charcoal, and pastel studies of local life, which were left to Amberley's Ann Dinnage, his constant companion, friend and helper. To help and encourage artists prepared to struggle and to win, like himself, he left the bulk of his estate to the Royal Academy, even though he was not elected an Associate until 1906, and missed becoming a full RA in 1915, because the vote was a tie: the President gave his casting vote to an artist called Farquharson because he had been waiting longer.

When Stott died, his friend Francis Derwent Wood (1871-1926) made a bronze plaque depicting Orpheus, the subject of Stott's last painting, which marks his grave in Amberley's churchyard. An appropriate memoriam, too, were the comments made by E. V. Lucas in *Highways and Byways*: "Edward Stott, who year after year taught London connoisseurs how the clear skin of the Sussex boy takes the evening light, how the Southdown sheep drink at hill ponds beneath a violet sky, and that there is nothing more beautiful under the stars than a whitewashed cottage just when the lamp is lit."

Although most of the paintings at Amberley are an important record of the changing local landscapes and rural pursuits, many of the artists also concentrated on a broader scene. There is a study of King George VI by Simon Elwes (1902-1975), Royal portrait painter who lived at Old Place, Amberley, for 12 years until his death, and Italian and French vignettes from Jessica Dismor (1885-1939) who trained at the Slade under Max Bohm.

NOTE: Exhibition list *One Hundred Years of Painting in Amberley* (30p). Fine Art Society catalogues *William Stott of Oldham and Edward Stott* (75p) and *Ethelbert White 1891-1972. A Memorial Exhibition* (60p), all plus 14p postage each, from Amberley Fine Arts Centre, Church Street, Amberley, Nr Arundel, West Sussex (Bury 876), where the exhibition continues until September 6, open Tuesday to Saturday 10-1, and 2.30-5.30, and Sundays 2.30-5.30. If you are in the area Saturday September 26 to Monday September 28, between 10 and 5, there is a viewing of the contents of Amberley Castle, which Sotheby King and Chasemore are auctioning on September 30 and October 1.

Early 16th century Brussels gold thread tapestry portrait "The Magic Grapes," in the Sotheby King and Chasemore contents sale at Amberley Castle, Amberley, West Sussex, on September 30 and October 1. Viewing days September 26-28.

Highlights of the contents sale, which is expected to realise in the region of £200,000, are the 16th 17th and 18th century tapestries. A rare, finely woven 16th century Brussels gold thread tapestry portrait, "The Magic Grapes," depicting the Christ Child squeezing grapes into a chalice, could fetch in excess of £10,00. Another version is in the Metropolitan Museum of Art, New York. (Catalogue details Sotheby King and Chasemore, Pulborough, West Sussex.)

Century of montbretias

GARDENING

ARTHUR HELLYER

THE common montbretia is one of those plants, like the golden rod (solidago) and the snow-in-summer (cerastium) that has got itself a bad name by being just a bit too easy to grow and a good deal too difficult to get rid of. Oddly enough it is not completely hardy though you would scarcely guess that from observing the way it can spread through the countryside in places where it has escaped from gardens. There are few things that grow better or spread faster in hot and rather dry places and not many plants that make a brighter display for a good many weeks in August and September.

It is a man-grown plant, non-existent in the wild and bred by crossing two South African species, *Crocosmia aurea*, a distinctly tender yellow-flowered plant virtually never seen in British gardens, and *C. pottsii*, which is a good deal hardier but has smaller, redder flowers. The breeding was done by the French nurseryman Victor Lemoine, who raised so many fine plants around the turn of the century. He introduced it in 1882 so it will shortly be celebrating its centenary. Not that anyone is going to make much fuss about that for it has always been a somewhat despised plant but some of its relatives and descendents have recently been attracting a good deal of well deserved attention.

Montbretia is a popular name derived from an old and discarded botanical one. Lemoine made the original cross with two species of *crocosmia* and he called his hybrid *Crocosmia crocosmiiflora*, not a very helpful name since it means the crocosmia with crocosmia-like flowers. It spreads by stolons or underground stems which produce small corms very freely so that after a few years they can become so dense and matted that it becomes quite a job to dislodge them. If they find their way into rock gardens or get lodged between the stones of unmortared walls a complete reconstruction is usually necessary to get rid of them though I daresay the new herbicide glyphosate (Tumbleweed or Roundup) will do the trick as it already has for so many previously indestructible plants.

I have never seen any common montbretia that I could identify as a seedling in my garden that showed any obvious variation from the norm. This is a plant with wiry, sparsely branched stems bearing slender trumpet shaped flowers, deeply flared at the mouth, orange inside but increasingly red outside towards the base. Yet seed it must do for numerous distinctive varieties have been introduced, the most useful of which have all had larger flowers opening more widely to form an almost flat mouth, which is one of the characteristics of *Crocosmia aurea*.

It will be recalled that this is the more tender of the two parents Lemoine used and it is probably no coincidence that on the whole the larger the flowers the more likely the montbretias are to disappear during the winter. None of them has ever shown anything like the indestructibility of the common form but one that I have succeeded in keeping quite a few years is Emily McKenzie, a decorative plant and a considerable improvement on the common kind with much larger, flatter flowers orange splashed with mahogany red. It is not an invasive plant. In fact, I have had to look after it fairly carefully to prevent it being overrun by sturdier things.

From time to time there have been all-red varieties of montbretia, the best I remember being James Coey, and also some all-yellow kinds including a very old one with bronzy leaves named Solfatare (or Solfataire in some lists) which is still freely available thanks largely to being distributed by Bressingham Gardens.

All this time British gardeners have been growing another montbretia-like plant which at first was called *Antholyza paniculata* though later the name was changed to *Curtonus paniculatus*. Looking at it now in my garden it seems to me an altogether better plant than common montbretia, more compact and clump forming, less invasive with far better foliage and more interesting flowers. The leaves are broad, upstanding and ribbed, the flowers carried on stiff purplish stems much branched towards the top and with all the flowers on the upper side. They are longer, narrower and more swan-necked than those of the common montbretia, are much more closely packed and fiery red deepening to purple at the base.

Curtonus paniculatus is not only exceptionally good in my garden this year but I have seen it growing magnificently in many others. Clearly it must at last be getting fairly well known and appreciated but I cannot think why it has taken so long to win approval. I recollect being told in my youth that it was tender, and seeing it planted against a sunny wall for shelter, but I have never seen a plant injured by frost and I have come to rate it very highly both as a foliage and as a flowering plant.

Perhaps the rediscovery of *Curtonus paniculatus* is in part due to the introduction and immediate popularity of *Crocosmia masonorum*. In some ways this resembles the *curtonus* more than it does the montbretias to which it is more closely related for it also carries its flowers close packed on the tops of curling spikes. Even better, they actually face upwards, opening to reveal the full beauty of their orange trumpets.

Everyone is impressed by this fine plant and I am constantly asked questions about it. Is it hardy? Yes, in my experience, though it does need sun and warmth and is probably not a plant for dank climates. Individually its leaves are as good as those of *curtonus* but they do not make such handsome clumps nor do the flower spikes branch so freely or densely. But the size of the flowers and the way they display themselves is ample compensation.

Given such fine material to work with it is not surprising that some years ago Alan Bloom of Bressingham Gardens turned his attention to a new breeding programme for montbretias bringing in both *Crocosmia masonorum* and *Curtonus paniculatus* since they all appear to be interfertile. As a result he is now distributing a string of fine varieties such as Bressingham Blaze, Spitfire, Ember Glow and Lucifer.

GOLF

BEN WRIGHT

NEXT WEEKEND the cream of Great Britain and Ireland's amateur golfers will challenge the American holders in the 28th Walker Cup match at Cypress Point on the uniquely Beautiful Monterey Peninsula in California. It is a quest that is as perennially futile in competitive terms as it is rewarding in the cause of international friendship and goodwill.

Of the 14 such biennial matches played in Britain we have won but two, in 1938 and 1971 both at St. Andrews. But in 13 matches played on American soil the best we have ever managed was a tie at Baltimore Country Club in 1965, which actually was a bitter disappointment, since we were thrashed by six matches to one in the final series of singles matches, Clive Clark eventually saving our faces with a lengthy downhill putt on the last green for the vital half.

So it is ridiculous for a realist to entertain the thought of an upset on August 28 and 29. Our team is extremely young and comparatively inexperienced. At best we can hope to learn enough from the encounter to give us a fair chance when the match is next played on home ground in 1983, by which time several of the Americans will probably have turned professional.

Of the 1979 American team that won by 15½ points to 8½ Scott Hoch, who won all his four matches, has already won a professional tournament, the 1980 Quad-Cities Open. His partner in both singles series was Jay Sigel, who went on to beat him the following week in the final of the British Amateur championship. At the age of 37 Sigel shares the distinction with Bob Lewis, once a professional, of being the oldest members of this year's formidable American team. In addition to Sigel, Jim Holtgrieve, aged 33, and the current U.S. Amateur champion Hall Sutton, aged 23, also played in the 1979 match. Sigel won 3½ points, Holtgrieve two and Sutton 1½. The other members of the American team are in their early twenties.

Hal Sutton of the U.S. and Peter McEvoy of England

The Great Britain and Ireland team has a similar leavening of experience. Ian Hutcheon from Dundee being the old man of the party, at 39 the veteran of the last three Walker Cup matches, as is Englishman Peter McEvoy, 28, winner of the British Amateur in both 1977 and 1978. Geoff Godwin (31, England) won two points for our team in the 1979 match while Peter Deeble, 27, English champion in 1980, was blooded in the equally crushing defeat suffered by our side here in 1977. Of the remaining six players only Roger Chapman (22, England), English champion in 1979, Colin Dalgleish (20, Scotland), Duncan Evans (22, Wales), British champion in 1980 are not teenagers. The two Irishmen in the team are 19-year-old Philip Walton and 17-year-old Ronan Rafferty, the youngest ever to play in the match, Englishman Paul Way is 18.

How can this team possibly hope to beat an American side even whose youngsters are so much longer on experience? For instance Ron Commans, 22, the reigning National Collegiate champion, tied for 20th place in this year's Glen Campbell Los Angeles Open at Riviera Country Club with an aggregate of 279, the same total as Lee Trevino recorded and but one shot worse than both Jack Nicklaus and Tom Watson. Frank Fuhrer, also 22, has just won the Western Amateur. Jolie Mudd, 21, has won the U.S. Public Links championship for the last two years, a tremendous feat. Corey Pavin, 21, won this year's North and South Amateur final by no less a margin than 11 and 10 and the Southwestern championship at Strokeplay with a record score of 276.

Joe Rassett, 23, was the leading amateur in this year's U.S. Open Championship at Merion. Dick von Tacky, 24, reached the semi-final of last year's U.S. Amateur and this season won the Northeast Amateur. Sutton, who is still only 23, led the U.S. to a 27 strokes victory in the World Team championship for the Eisenhower Trophy last year with a total of 276 over the Pinehurst Number Two course, twice scoring 68, the lowest rounds of the competition.

He has won practically every title of note in American amateur golf.

Of the older men Holtgrieve lost to Sutton in the semi-final of last year's U.S. Amateur, and Lewis lost the final to him. Sigel has been the leading amateur in the 1980 Open championship at Muirfield and in the last two Masters tournaments. This year he finished 35th at Augusta, Lewis 40th and Holtgrieve 47th, while Sutton missed the cut. But Sutton finished 56th in this years' Heritage Classic and 74th in the Michelob Houston Open against the professionals, while Holtgrieve finished 35th in Jack Nicklaus's Memorial tournament and Sigel 66th. This, remember, against the cream of professional golf.

It is truly unfair to our team for my golf writing colleagues to make eager predictions of a famous victory awaiting our cruelly outgunned side in California. Yet I have already read one such outpouring of jingoistic claptrap, and I'm sure there will be plenty more. The same experts will savage our team with venomous sarcasm if they happen to suffer a heavy defeat. I feel it is more realistic to say that of the eight foursomes points available we will do well to break even. Of the 16 points in the singles we have never won more than nine since the format was changed in 1963 to two days of 18-hole matches rather than 36.

It might surprise you to know that we won those nine points at Brookline, Massachusetts in 1973 against 8½ we amassed when we won the 1971 match, and when this year's non-playing captains, our Rodney Foster and their Jim Gabrielsen, represented their respective countries. That may be a good omen, but I doubt it. We will do really well to win six singles points.

RACING

DOMINIC WIGAN

THE VARIETY Club of Great Britain will be looking for a dry and sunny afternoon in the south today for its programme at Kempton in aid of children's charities.

The Variety Club has found sponsors for each of the six races and, in addition, has secured the "pulling power" of celebrities from stage, screen and sport.

Although the Sportsmen's Club Handicap on the Jubilee Course has pride of place on the programme the most interesting event to my mind is the Recitation Stakes, a mile and a half handicap for three-year-olds and above. Here Lester Piggott teams up with the Michael Stoute trained Hearth, who has eight opponents including stablemate, Withy Copse, to beat.

Hearth, for whom there has now been a long absence since he last appeared in the winner's enclosure, will be all the better for a much needed Goodwood run which saw him finishing fourth under 9 stone 8 lbs behind the Piggott-ridden End of War and he looks worth a bet.

Piggott, whose Sportsman's Club mount Ray Charles, is likely to be hard pressed to give 11 lbs to the fast improving Wrong Page, will, I feel reasonably hopeful, be back in the winner's enclosure following the Tent 36 Stakes. Here Montekin, whom he partnered for John Dunlop, is preferred to the favourite, Mon-Ferni-Tychi, who did not in my opinion, look a top class two-year-old when returning to such acclaim at Goodwood.

KEMPTON
1.30—Reading
2.00—Hearth*
2.30—Wrong Page**
3.00—Bunter
3.30—Pizarro
4.00—Montekin***

RIPON
1.45—Shadows Lengthen
2.15—Sauvage
2.45—Denmore
4.15—Cool Decision

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Saturday August 22 1981

Politics or economics

THE OIL MINISTER from Gabon had a phrase for it. In a breathing space in the long-running Opec stalemate he remarked: "The real issue is whether we are simply discussing economics, or politics too." The Opec radicals want to prove a point about "*colonialist*" *exploitation of* natural resources, while the Saudis are concerned simply with ensuring that the oil price *does not rise so high as to* undermine the long-term demand for the product. It is impossible to put an economic price on proving a political point: it is one of the uncertainties which bedevils economics—and thus provides an opportunity for investors. Flair and feel can matter as much as computation.

Uncomfortable

The struggle is not confined to oil bargaining. The rail negotiations of the last week have seen the same basic division displayed. Economic reality has won the day; but the militants in the rail unions were not only concerned with the falling relative wages of their members and the fact that British Rail subsidies are very low by international standards. The trade unions are profoundly uncomfortable at the spectacle of a Government which seems quite happy to govern without considering or even consulting this self-appointed estate of the realm, and would dearly like to mount a challenge. However, the membership for the most part is unwilling. The Government, having once sidestepped a *potential challenge from the* coalminers by timely compliance, continues to enjoy a remarkably good run on industrial relations.

This is one of the factors which seems to have been left *out of account by the Government's* academic critics. At the weekend they offered advice, some possibly sensible and some silly, on business cycle management, a subject on which they are expert. Mr Nigel Lawson gave a rather unconstructive reply, but even his rudeness was enough to make it clear that the Government is hardly interested at all in managing the business cycle.

Overmanning

Its economic aims are for the longer term: to change productivity trends, and educate the unions in the school of reality. Only Mr John Biffen is blunt enough to spell this out, and explain that today's unemployment is only yesterday's overmanning in new dress; but the Prime Minister continues to hope that the positive results will meet Mr Francis Pym's demand for a reward to justify our present sufferings in good time.

The Government's critics on the backbenches understand *this political reality* better than the academics, but are still uneasy. The hardliners call for legislative sanctions against the trade unions to *reinforce the* existing economic pressures. The "wets" fear that the rewards will become apparent too late to fend off the new threat from the Social Democrats. In these terms, Mrs Thatcher is pursuing a middle way.

What is the hope of success? In purely domestic terms, the *symptoms are mixed*. The inflation trend continues rather better than has been forecast on past behaviour, as yesterday's *figures confirm*. As month succeeds to month, this adds up to a suggestion at least that the underlying trends have indeed *been changed. Rising produc*tivity and what is so far, according to the CBI, proving a moderate wage round could make the recovery stronger than forecasting models suggest.

Experiment

However, we live in an open world economy, and the financial market recovery which might be expected to herald a recovery in the real economy has petered out, after what once seemed a *promising start. The reason, of* course, is the very high level of interest rates in New York.

The great fear in London is that while Mr Reagan is repeating the fundamental error of Mrs Thatcher's first two years and *driving fiscal and monetary* policy in opposite directions, the Federal Reserve may be repeating the characteristic error of past British monetary policy, and doing too much, too late. As long as the dollar was rising, exporting U.S. inflation to the non-dollar world, and New York continued to hamper any easing of interest rates in other countries, there *was a real danger* that any rewards from Mrs Thatcher's difficult experiment would be deferred until her U.S. admirers had got through the early and unpleasant stages of the same process.

Nightmare

The most recent figures and forecasts from the U.S., which have led dealers to sell the dollar in expectation of a fall in rates, give some hope that this nightmare will fade. The OPEC negotiations also have a role here which is often overlooked. *An agreement on prices—even* higher prices—which led to a cut in Saudi output and a corresponding rise in countries which are more eager to spend their revenues would both stimulate world demand and *help to stabilise exchange rates*. It is too early to say that things are not as bad as they seem, at home and abroad; but not too early to consider that possibility.

SIR FREDDIE'S DEBT PROBLEMS

Laker flies into turbulence

By Alan Friedman

"IT'S A hell of a poker game. The kitty has several million pounds in it. I'm trying to keep the game going."

WITH THESE words Sir Freddie Laker leaned back in his chair and smiled weakly. Sitting in his spartan office block, next to a hangar on the edge of Gatwick Airport's Perimeter Road, the man who revolutionised the international air travel business shrugged off suggestions that he was in serious financial trouble.

He had already considered giving it all up, but decided to carry on. "There are only two *subjects to which* you cannot apply logic: love and dying."

Sir Freddie explained that he had applied logic to his own business, the Laker empire. "I asked myself: Do I quietly get out, selling off piece by piece, or do I keep going?"

The answer was clear. "We have done a substantial anlysis of how we stand in the marketplace. The decision is I have to go on because I will do better that way than if I sell out."

Sir Freddie's declaration *came at the end of a turbulent* week for Laker Airways. Caught by unfavourable dollar-sterling exchange rates, Sir Freddie had asked his bankers to reschedule long-term dollar debt which is at $300m (£162m) at a rate of $1.85 to the pound).

Laker's group total net borrowings are now more than seven times the value of its *shareholders' funds*. Laker Airways (International), the ultimate holding company, has £23m in shareholders' funds (£18m of reserves and £5m of share capital).

There are only two shareholders in the company. Sir Freddie holds 4.5m £1 shares, and his former wife Joan holds 500,000 shares.

The idea of *rescheduling the* company's debt occurred to Sir Freddie as he watched a strengthening dollar hit his business. An exchange rate of $1.80 compared with the airlines budget at $2.25, he warned earlier this week, *could cost an* additional £6m on the servicing of loans this year, shaving more than a quarter off the airline's equity base.

What Sir Freddie wants to do is to put off the repayment of around $50m of capital for six months. The repayments fall due in the second half of Laker's year to next March, the bulk of the sum in January and March.

Sir Freddie has devised what he *calls* a "*release and recapture*" clause, which would "release our obligation to pay now and recapture for the banks later on" because of the cyclincal nature of the airline business. This concept is not a *term generally used* in banking and is Sir Freddie's own invention.

"I said to myself—Laker, you are an innovator. You have innovated the airline business. Now you must innovate the banking business."

The trouble does not stop with Laker's loan repayments. The bulk of Laker's costs — $140m for fuel this year, and $50m more in navigation, landing and other fees—are priced in dollars, and they are not covered by dollar revenues.

Because of this "currency *mismatch*," as Sir Freddie terms it, the fall in sterling this year could cost the business an additional £6m—making £12m if the loans are not *rescheduled*. "I calculated the fares at $2.25 to the pound and all the people have paid at $1.80," he explained.

While Laker's total dollar expenditure including debt servicing *for 1981-82* may be around $300m, his dollar revenues could amount to just $100m. The debt servicing alone will cost $93m. So the remaining dollars must be converted from part of the group's total revenues of £250m, earned mostly in sterling.

The rescheduling of Laker's long-term debt is by no means assured. Bankers representing the $131m loan syndicate managed by Midland Bank International met in London on Tuesday and Wednesday this week to consider Sir Freddie's proposals to "release and recapture" his capital repayments for six months.

In Washington, Sir Freddie's American bankers met yesterday to discuss the proposals concerning his $228m Eximbank-managed loan.

The loans in question are all in dollars and provided 90 per cent financing for the purchase of aircraft. The Eximbank loan, signed in March 1980, was a nine-year facility at interest rates of between 6 and 9 per *cent. It was devised specifically* for the purchase of five McDonnell Douglas DC-10s, at about $50m each, including spare parts.

Eximbank, the U.S. Government-backed bank, provided Laker with a direct loan for $86.8m (at 8.375 per cent). The second key bank involved in the Eximbank syndicate was the *Private Export Funding Corporation* (Pefco), the New York-based consortium of 54 commercial banks. Pefco provided $74.4m, from which $72.6m has been drawn. Pefco's loan was guaranteed by Eximbank.

In London, Midland Bank International put together a syndicate of 13 banks from *Europe and the U.S. The $131m* loan, designed to help finance the purchase of three A-300 Airbuses, is a 10-year facility at a rate of *10.2* per cent.

Midland is believed to be the largest lender in the syndicate with an exposure of $16m. The Royal Bank of Canada and the Clydesdale Bank (Laker's domestic UK banker which is a *subsidiary of the Midland* Bank) are said to have loaned $15m and $10m respectively, with most of the other banks putting up about $10m each.

There were signs this week that Midland, which is *designated as lead-manager for* Airbus financing, might be willing to reschedule the $131m loan. All of the banks in the Midland syndicate would need to consent, but Midland was said to be giving serious *consideration to a solution* which would allow Laker to reschedule his debt for six months.

Sir Freddie made clear that if necessary, he could and would pay up. "If the worst comes to the worst, I will cry all the way to the bloody bank." he declared. He also stressed that he was only asking for the rescheduling of total capital repayments of around $50m.

Sir Freddie clearly believes his cause is just. He cannot abide the loss of what he calls "real money" just because of *something as incidental as* exchange rates. "This is an incredible capital loss which is totally unnecessary if they (the banks) agree to wait."

Laker Airways had worked long and hard to build up its "*exchange fluctuation reserve.*" If the loans were deferred, he said, thumping his desk, he would save £6m in cash.

"I'll save it in cash. I'm talking about cash," thundered Sir Freddie.

This is not the first time Sir Freddie has faced the prospect of an exchange-related loss on the repayment of dollar loans. In the past Laker Airways has shown exchange profits and losses on the basis of fluctuating rates.

When the pound weakened in the year to March 1976, Laker's *profit was struck after writing* off £225,624 in exchange losses on the actual sterling cost of loan repayments. Again in 1977, when the pound had deteriorated 20 cents to $1.71, Laker wrote off £1.19m in exchange *losses on loan repayments*. Likewise, when the pound was riding high, Laker was not averse to showing a profit on loan repayments; the 1979 accounts showed a £167,138 exchange profit.

> 'I said to myself–Laker, you are an innovator. You have innovated the airline business. Now you must innovate the banking business'

For the current year, in which Sir Freddie is predicting a repeat of last year's pre-tax profit of £3.2m, it is not clear how exchange losses on repayment and/or dollar expenditures might be shown. "We haven't decided how to deal with it," he explained.

Why, if in past accounts Laker Airways has taken its profit or loss on loan repayments, is Sir Freddie now asking for a deferral? "Having been through the hoop once and having made a cash loss in 1978 of £1.1m on repayment, I won't make the same mistake again," he replied.

"I didn't ask my bankers to reschedule then because I was naïve. But I've learnt a trick or two since."

Debts aside, however, Sir *Freddie agreed that the* international airline business is going through a rough patch. Soaring fuel costs and generally declining passenger loads are making life difficult.

Laker Airways has a strategy to recoup on such problems. When it saw it could not expand routes beyond its "gateway" destinations in the U.S. beyond New York, Los Angeles and Miami/Tampa, Laker successfully secured British Government permission in February to fly from Manchester and Glasgow as well as from Gatwick.

In addition, Laker applied to fly to several European cities including Dusseldorf and Frankfurt. These were designed partly to attract travellers on their way to the U.S. who wanted to take advantage of Laker services. But only Zurich-London was granted, a route Laker has not yet started.

Laker's longer-term strategy is to fly from London (and other UK cities) to Hawaii via Los Angeles and then on to Tokyo and Hong Kong. The company is appealing against Hong Kong's refusal to grant it a direct London-Hong Kong route, which Cathay Pacific already has.

Sir Freddie was optimistic *about his plans* for the Hawaii route to the Far East: he said this would provide hard currencies to match with dollar debt repayments. "This is the answer to our currency mismatch. This should be the answer to my dollar problems," he said.

With any luck, this route might start in 1982-83, but longer delays have been known to occur.

Nevertheless, Sir Freddie claimed his 1982-83 budget did not include these routes and that he still may make a profit of £10m by March 1983. By putting up fares (next month) and budgeting for 1982-83 at an exchange rate of $1.86, Sir Freddie reckoned he would be on top by then.

Additionally, Laker Airways will introduce what Sir Freddie terms his "secret weapon" on October 15. The weapon is a new section on Skytrain and other routes—a business class seating to be known as Regency Service.

Laker's fleet is being refitted to make way for 52 such business seats on every aircraft. The fare to New York will be around £250 (against next month's new Skytrain walk-on fare of £90) and Sir Freddie believes his business section will be the most comfortable in the world.

But none of these innovations will avoid the real possibility of losses in the current year. "Of course I could have a loss. So I'll have a pre-tax loss," shrugged Sir Freddie. "I cannot defer the money I've already paid."

But extra revenues might come in this year to counterbalance exchange losses if Sir Freddie is successful in selling some of his aircraft.

The Laker fleet includes 11 DC-10s and three A-300 airbuses. There are also six *additional aircraft which are now* "for sale." Sir Freddie is looking for buyers for two Boeing 707s and four BAC one-elevens. He reckoned the four one-elevens could fetch $10m.

Laker Airways has always had a large disparity between its equity base and its total borrowings (see chart). At the start of its business in 1967, *total borrowings were 23 times* the size of Laker's equity base. In 1973 the ratio was 10-1.

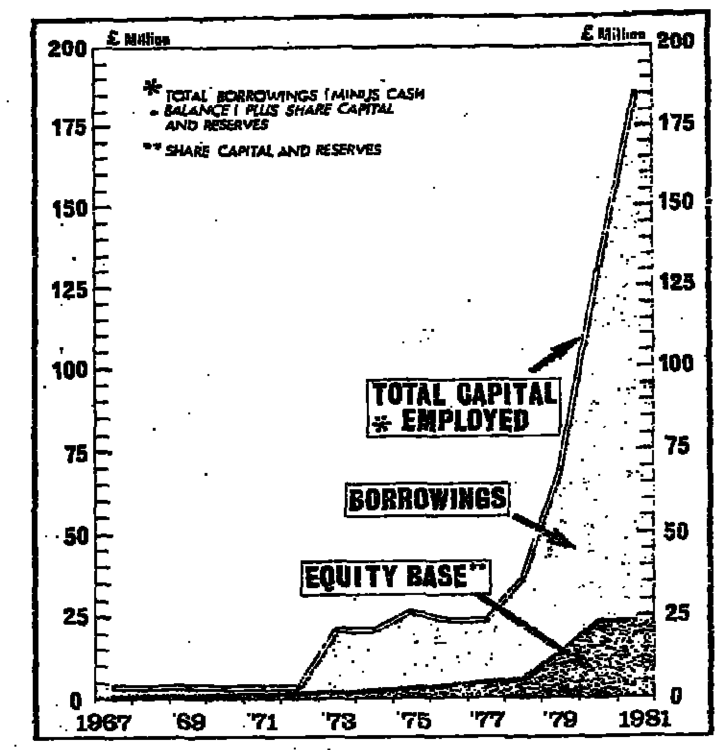
This year the ratio is still far greater than in most other businesses. But Sir Freddie argued that since his was not a *public company he did not have* access to shareholder's money and relied on banks for financing.

"My real wealth," said Sir Freddie, "is the value of the Laker business, minus what I owe, multiplied by point seven (0.7) for capital gains." The answer, he said, is around £100m, including around £15m *of goodwill*.

But having completed his analysis, Sir Freddie has no plans to get out. "At the end of the day," he remarked, "it's a question of odds. I've been owning and operating airplanes for 34 years. My odds are 33 to 1. I've won 33 times out of 34. Is that a reason to stop playing the game?"

Then, characteristically, he added: "And I haven't lost yet."

Roger Taylor



Chris Walker

Letters to the Editor

Gas

From Commander H. Burton RN (Retired)

Sir,—Mr Jewers, of British Gas Corporation (August 15) *contradicts my assertion* that large sums of capital expenditure are charged to revenue. He says that for 1980-81 £314.3m of CE was financed from "within the industry." Who does he think he is fooling? "Self-financing" is just a lot of eyewash.

The sole source of cashflow (other than Government subsidy) is from the pockets of gas *consumers*. There is nowhere else for the money to come from. Mr Jewers goes on to say that for 1980-81 there was an *amount of interest receivable of* £4.5m against a charge of £177m interest payable five years ago. Presumably the interest was derived from invested funds, and again I ask where did the money come from for the investment if not from the gas consumer's pocket? It can come from nowhere else but the investment of the large "operational surpluses" of previous years.

To my mind "self-financing" is nothing more than a policy of *soaking the consumer* by grossly over-charging him in respect of current costs. The sleight-of-hand is concealed by excessive *charges for depreciation*, banking on the fact that it won't be recognised that a 50 per cent depreciation rate is the same *thing as charging 50 per cent of* CE to revenue as a working expense.

Mr Jewers asserts that if the *Corporation had to borrow for* its capital expenditure it would have to pay high interest charges. And why not? Doesn't every commercial and industrial company have to pay a price for the money it requires for expansion either in interest or dividends? And which benefits the gas consumer most, a 20 per cent interest charge or a 50 per cent (or 100 per cent) depreciation charge?

As for increasing the Public Sector Borrowing Requirement (*PSBR*), this is a *pure "red herring."* To go to the money market for capital would have no effect whatever on the PSBR, and would have the advantage of making the public aware of the reasons why the money was required.

(Commander) Hyde C. Burton,
Rayland Nursing Home,
54 Marine Parade,
Brighton.

Pensions

From the Chairman,
Society of Pension Consultants

Sir,—In your issue of August 3 you published a letter from Mr Martin Paterson in which, after referring to "pension consultants and pension scheme *administrators*" he said. "It is of course necessary for employers to look outside for technical advice, information on current practice, and likely financial consequences of decisions." This is not so. Pension consultants do give advice, including actuarial and financial advice, on all the matters quoted by Mr Paterson.

(Sir) Donald Sargent.
The Society of Pension Consultants,
Ludgate House,
Ludgate Circus, London EC4.

Taxation

From Mr R. Abramson

Sir, — Certainly something must be done about the real costs of employing labour. The present labour costs facing employers simply discourage employment, as we can see only *too clearly from the scale of* unemployment today.

The fact is, however, that historically the share of GNP *taken by employees has not* varied very much over a very long period. Trying to tell workers that they must take a real cut in their standard of living is like telling the tide not to rise.

There is an obvious solution to this apparent dilemma and it is to be found in the difference between real wages to the *employee and the real costs of* labour to the employer. If we take a simple case of a married man whose gross earnings over a year total £5,000 (and who is contracted-in to the state pension scheme) we would find that his net take-home pay for the *year totalled* £3,806. The employer, however, has to meet a bill of £5,660 because of the national insurance costs. This of course excludes all other wage-related costs, but even on this basis we see that the employer's cost is almost 50 per cent more than the employee's real wages!

The difference goes entirely *to the Government and* represents a tax on earnings. An important step to industrial recovery would be to shift taxation away from earnings, making up the loss by taxes which reflect more closely firms' ability to pay. Thus, a move is required from an across-the-board tax on earnings — which vary very little between profitable industries and non-profitable ones — to some variant of added value, which reflects ability to pay.

R. B. Abramson.
27, Northwick Avenue,
Harrow, Middlesex.

Scores

From Mr H. Cole.

Sir,—The statement (August 17) that "no side batting fourth has ever made such a score" (as 506) is incorrect.

In 1939, in the last Test of *the series in South Africa*, England were set 696 to win. At the end of play, on, I think, the 11th day, the match had to be abandoned as a draw—in spite of having been billed as a timeless Test, as the visiting side had to catch their boat home. But by that time England had scored 654 for 5.

Harvey R. Cole.
9, Clifton Road, Winchester.

Life

From Professor R. Zachary

Sir, — There are some inaccuracies in David Palmer's account (August 15) of my views on spina bifida. I do not agree that I regard it as my job, usually through an operation in the first 24 hours of life, to keep as many of these children alive as possible. The operation on the newborn was *introduced by me in 1948*—nine years before Prof Lorber was involved — to remove a large swelling on the back and make it easier for the mother to look after the child. I knew from my previous two years' experience in Boston, Mass, where we operated on none of these newborn babies, that many severely affected infants survived.

When David Palmer quotes my expression "stuff and nonsense," it referred to the view which is assiduously put over to parents that if you operate they live and if you do not operate they die.

The crux of the matter is not whether they have an operation or not—in fact Lorber's criteria for selection for surgery can be regarded as reasonable, although I would differ on detail—but on how babies are looked after without surgery. *Do they receive ordinary good* baby care such as one might expect in the 1980s—or do they in addition have heavy doses of hypnotic drugs which will accomplish the death of the baby within two to three weeks? If that is ethical, why not even larger doses of the drug to ensure the death of the infant within two to three hours—or would that be too obvious? In principle it is no different.

There can be no doubt that the administration of heavy doses of sedative and hypnotic drugs (not analgesic drugs to relieve pain which is rare in these babies) is responsible for the *100 per cent success* (?) *in* selecting out those who are going to die for the Liverpool series, using the same criteria *for selection but no drugs*, found that 30 per cent were still alive after 12 months and more.

Palmer says that a section of the medical profession is being asked to spy on doctors, but only in the sense that if a member of the public sees a crime being committed, it is his duty to report it. If anyone (even a doctor) is seen to be directly bringing about the death of a patient, surely that is illegal and should be reported and looked into. Doctors are *not above the law.*

He adds the gratuitous phrase that I am a Roman Catholic and a vice-president of Life. I cannot believe that this was included to enhance the value of my arguments, but rather the reverse. "Oh, a Roman Catholic, poor fellow, he has to say what his Church tells him" or "Life, that group—well that *explains it.*"

I could leave the Roman Catholic Church tomorrow (I do not intend to) and I would still hold my profound conviction that it is wrong directly and on purpose to take the life of an innocent human being—in this case a baby. I held and practised this code long before Life came into existence.

I think David Palmer has done a service in bringing this crucial matter to the attention of the public.

(Professor) R. B. Zachary.
30 Hallam Gate Road,
Sheffield.

Babies

From Mr A. Kanan.

Sir,—I have read David Palmer's somewhat lengthy article (August 15) on spina bifida babies and, rightly or wrongly, have formed the impression that he favours the arguments of Professor John *Lorber.*

I do not believe that anybody —doctor, parent, or anyone else —has the God-given right to *decide whether a baby, born* severely handicapped or even if still a foetus in its mother's womb, should have its life snuffed out like a candle. The view expressed by Professsor Robert Zachary that as many children so afflicted be kept alive as long as is possible, to me makes far more sense.

I believe that to starve the worst cases by the administering of massive doses of chloral hydrate so the infant becomes so sleepy that it does not demand feeding and just dies in weeks, maybe days, to be totally inhuman. This method is, presumably, part of Professor Lorber's criteria — despite his statement in a Panorama documentary that he is "totally against euthanasia."

As far as babies with Down's Syndrome (mongolism), are concerned, those among us who still retain the ability to care in a humane manner do not want any criteria or classification introduced. Lord Justice Templeman, I feel, said it all —that it was duty of the Court to have decided what was in the best interests of the child. Once *parents are allowed to* decide whether a baby is to live or die we reach the point where infanticide becomes legalised. *My view* is that, no matter how deformed or otherwise afflicted a baby is, it must be the duty of the medical profession to do everything that is humanly possible to save its life.

Alan Kanan.
49, Oxford Gardens, W10.

Disclosure

From Mr M. Posner.

Sir, — Mr L. R. Bushby (August 15) *feels* that there is too much disclosure. I would point out that directors of limited liability companies require unsecured interest free credit to be able to trade profitably.

As directors are personally not liable for the debts of their companies in my experience they do not willingly sign personal guarantees to mere suppliers who in effect advance a large proportion of their company's working capital. It is *interesting to note* that bankers require full sets of accounts and often, in addition, security before advancing loans to small and medium sized companies.

M. S. Posner.
4, Johnston Court,
Woodstock Road,
Croydon, Surrey.

Richard Lambert reports on how Grand Metropolitan left its rivals standing for Pan Am's Intercontinental Hotels

How Grand Met keeps on running

EARLY last month Mr Stanley Grinstead, managing director of Grand Metropolitan, was contacted by a middleman who offered to set up a meeting with the top management of Pan American World Airways. It seemed like a good idea.

Sometime in the spring, the UK group had started to think about the implications of the financial crisis in the world's airline business. With the help of a U.S. investment bank, it had made a study to determine which airline might be willing—or forced—to sell off potentially attractive assets.

As a result, Mr Grinstead flew to the U.S. on July 9 and told Pan Am that Grand Metropolitan could be interested in buying its Intercontinental Hotels subsidiary. Pan Am replied that it was not for sale, but agreed to make information available about the business.

After some delay, these details reached London on Tuesday last week. And last Saturday, Mr Grinstead was back on a plane to the U.S., along with finance director Mr Michael Orr and assistant managing director Mr Clifford Smith.

It was intended to be a brief meeting. Mr Orr left his car in the short stay carpark and is now, according to Mr Grinstead, trying to work out whether its value is greater than the parking charge.

But the talks dragged on. Late on Sunday evening, Mr Grinstead made an offer for Intercontinental to Pan Am's chairman. This was accepted, subject to ratification at a board meeting which was eventually held on Thursday.

So the UK company had made a firm bid two days before Pan Am publicly announced that it was planning to sell the hotels as part of a deal with its bankers to provide some badly needed financial breathing space. U.S. reports indicate that a queue of rival bidders has been left stranded at the starting gate.

THE TOP HOTEL CHAINS

Number of rooms in 1980

1. Holiday Inns	303,578
2. Sheraton	107,996
3. Ramada	94,060
4. Trusthouse Forte	72,299
5. Hilton Corp.	71,804
6. Howard Johnson	59,000
7. Balkan Tourist	51,443
8. Days Inns	44,000
9. Grand Met/ Intercontinental	43,000*
10. Quality Inns	41,415

* The new Grandmet figure is an estimate based on 1980 figures for Intercontinental (30,182 rooms) and Grandmet (12,976). The American company is ranked 19th and the British 23rd

Source: Service World International

While other potential bidders were just beginning to think about the numbers Grand Metropolitan was already completing details of the final contract, which was to be signed immediately after the Pan Am board meeting.

"We were there before anyone else and able to put a bid on the table at the right time," says Mr Grinstead. The fact that its offer could, with luck, be completed by the middle of next month was obviously important to the badly pressed U.S. sellers.

It also helped that Grand Metropolitan was a foreign company. Pan Am could not afford to get snarled up in any of the anti-trust problems which might have followed a bid from a U.S. company.

Even so, Thursday's board meeting lasted over five hours and did not finish till after 7 pm New York time. Contracts were exchanged and three hours later the UK executives were back on a plane. Mr Grinstead plans to return to the U.S. tomorrow.

This kind of fast-footed opportunism is typical of a group which has been buying other people's businesses for 20 years and more. Over a decade ago, for instance, it launched a bid out of the blue for Express Dairies within 24 hours of learning that it might be available.

But what is really remarkable about Grand Metropolitan is the continuing pace of its expansion. Whereas many entrepreneurial businesses tend to lose momentum when they reach comfortable middle age, this one just keeps on running. Although its annual sales last year exceeded £2½bn and its profits this year might top £170m, before tax, the group still wants to get bigger.

What is unusual, too, is the fact that it has maintained a respectable return on capital employed. This is in marked contrast with many of the acquisitive companies with which it used to be compared in the high flying days of the early 1970s.

One explanation lies in its choice of takeover candidates. It has specialised in leisure and consumer product businesses with a strong property base, and has largely avoided the pitfalls both of heavy manufacturing in the UK and of dealing in purely financial assets.

Another key to its story lies in the relationship between its chairman, Sir Maxwell Joseph, and Mr Grinstead. After many years of acting in the background as joint managing director, Mr Grinstead emerged in clear control of the day-to-day running of the business early last year. Evidence of the change is the fact that Sir Maxwell is holidaying in France.

If anything, the pace of acquisitions has hotted up during the last 18 months or so. Within that period, the group has paid nearly $600m for Liggett, the U.S. drinks, tobacco and pet foods business. Other deals have included acquiring control of London's Palm Beach casino; buying Warner Holidays and a fast food business in London; an investment in the North Sea and another in Biogen, the biotechnology company.

Then there are the ones that got away. It bid over £80m for the Coral betting group, but pulled back after being referred to the Monopolies Commission. It toyed with the idea of a casino complex in Atlantic City. And it kept a watchful eye from the sidelines on the progress of Trusthouse Forte's bid for the Savoy Hotel.

There seem to be three main reasons for this latest bid. In the first place, Intercontinental Hotels Corporation is seen to be an attractive and well managed business in its own right.

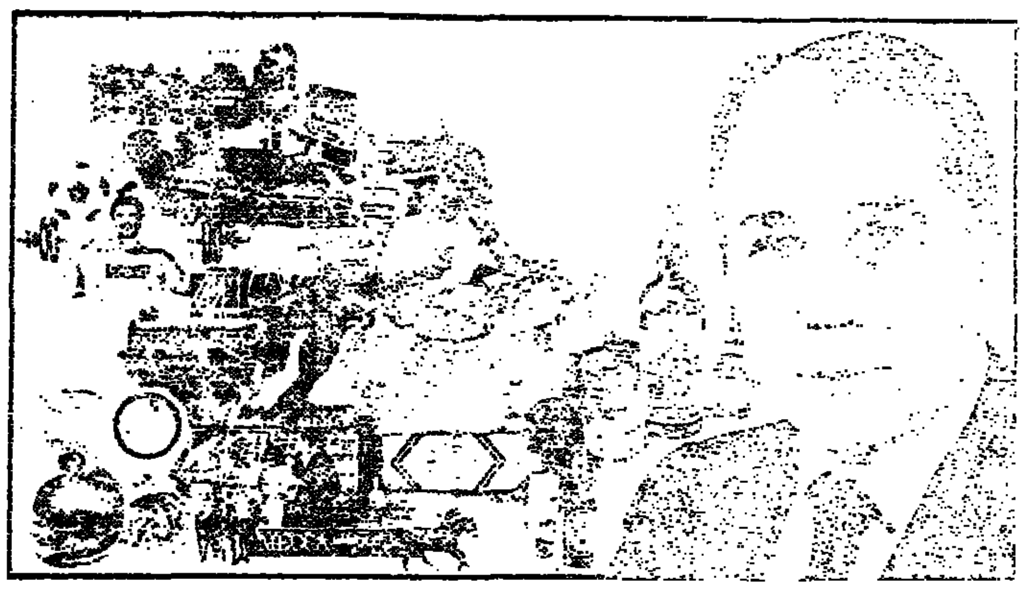
Secondly, the diversification of Grand Metropolitan has from the first been built around a solid core of hotels and catering companies.

The third and from Grand Metropolitan's point of view, the most important feature of the hotel chain is that it was available. Although the opportunity came very soon after the first major step into the U.S. through the Liggett acquisition, it was the kind of deal which the UK group just could not resist.

In financial terms, the bid will have a significant impact on Grand Metropolitan's balance sheet. Mr Grinstead says that the net asset value of the hotels is significantly understated in Pan Am's books at $116.4m. But although he is planning a revaluation of the six wholly owned properties, and will consider having formal valuation made of Intercontinental's management and lease arrangements, it is clear that the purchase price will still include a substantial amount for goodwill.

The acquisition will be financed through bank borrowings, which will in turn push the group's gearing ratios up to quite a high level. Mr Orr puts the scale of the bid into perspective by pointing out that the group's spending on fixed assets alone this year is approaching £200m. And Grand Metropolitan has for some time been considering the idea of selling off some of its second line businesses both in the UK and the U.S., which would help to reduce its debt.

"We don't see any need for a rights issue," says Mr Orr. But Grand Metropolitan has raised over [illegible] in new equity during the last six years to fuel its growth ambitions, and the City is betting that sooner or later it will be back for more.



Stanley Grinstead and the Grand Metropolitan empire

Joining the world rush for growth

GRAND METROPOLITAN'S remarkable leap into the heartlands of international luxury hotel-keeping is bound to cause something of a stir. Until now, this particular business has been dominated by American-based companies—Hilton International (TWA), Sheraton (ITT) and Pan Am's subsidiary among them. Britain's Trusthouse Forte matches them in terms of numbers of rooms, but lacks the same uniform image and has geographic gaps in its network.

Most of the major hotel chains in the world today are rushing for growth. The top 100 hotel groups, according to the trade newspaper Service World International's recent survey, added 105,413 rooms to their portfolios last year, a rise of 7.1 per cent. They now control 20 per cent of the world's hotel bedstock.

One group alone, Holiday Inns, based in Memphis, Tennessee, which this week unveiled a £254m development programme for non-U.S. territories, accounts for one-fifth of the rooms held by those top 100.

In the world listings Intercontinental is not a giant, in fact it is not even in the top 20. Its possession of remarkable prime-site business locations, such as the Park Lane/Piccadilly axis in London and the remarkable Rue de Castalione, in Paris is, however, unrivalled.

It is the sort of market that all hoteliers would like to be in. This is particularly the case as business travel becomes more international.

To understand the scramble for hotel properties among the major groups one first has to see how the world of hotel-keeping has changed in the past two decades. The independent hotelier, with no affiliations, is a rapidly diminishing breed.

Hotel groups now dominate the industry, but they fall into several different categories: those whose properties are largely freeholds or long leases (THF is probably the world's biggest); companies whose prime activities are management contracts (Hilton, Sheraton and Intercontinental); and marketing consortia (Best Western, Prestige, the Relais).

Faced with the power of the large management and franchise groups the smaller hotel keepers have rushed to join the marketing organisations. Just as independent retailers scurried into the Spar and Mace folds, so independent hoteliers have looked for suitable umbrellas—able to provide central marketing, a uniform image and access to bulk buying.

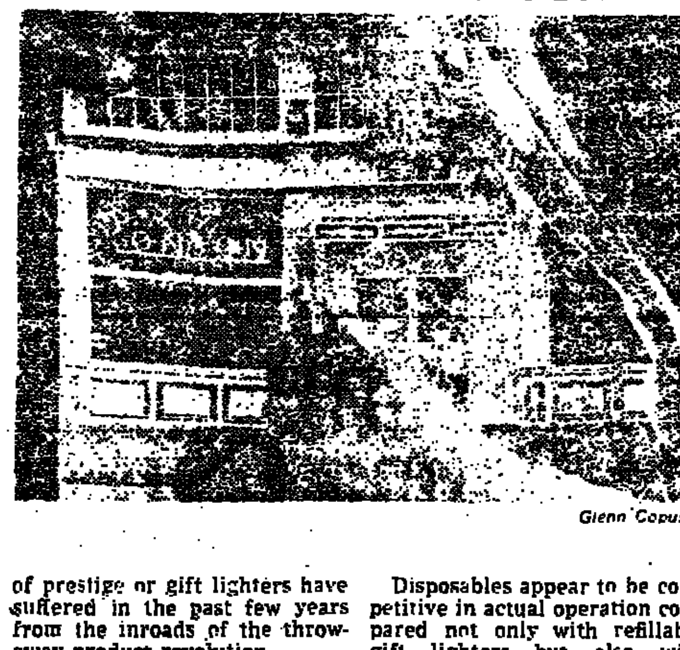
Far and away the largest of these marketing consortia is Phoenix-based Best Western Hotels, which will probably end this year with nearly 3,000 hotels worldwide.

In the management field, where Intercontinental operates, the bigger you are and the better you are, the more profitable a deal you can make. The deals are usually based on a formula which offers the management company a basic fee and a share of either profits or revenue.

Arthur Sandles

Weekend Brief

Ronson almost snuffed out by disposables



Glenn Copus

Smoking cigarettes is no longer fashionable and the addicted smoker has to seek desperately for the increasingly fewer smoking carriages on trains and in some restaurants and department store cafeterias slink into the reserved smoking ghettoes.

But this social disapproval of smoking seems to have had no great effect on the sale of cigarette lighters in Britain and does not fully explain the financial collapse of Ronson Products—the British subsidiary of Ronson Corporation of the U.S. (its founder was a Mr Aronson) and a major producer of prestige, or gift, lighters.

The British company was put into receivership on Friday last week by Barclays Bank, owed about £9m, and the Price Waterhouse receivers are trying to obtain a resumption of supplies to the main factory in Leatherhead, so that they can sell the company as a going concern.

Like Parker Pens and Papermate in the middle market for refillable ball point pens, like Gillette and Wilkinson in wet razors, Ronson and other makers of prestige or gift lighters have suffered in the past few years from the inroads of the throw-away product revolution.

It is a fact that the retail market for all lighters last year was worth about £50m and has been fairly static for the past five years, but that disposable lighters made by such European manufacturers as Bic (see also ball point pens and razors), Feudor (also French) and Cricket have won about 25 per cent of the UK market.

Another 25 per cent has been won by cheap refillable lighters, with Ronson belatedly entering this £2.50 lighter field with a Hong Kong product with the Ronson imprint.

Of the remaining 50 per cent of the UK market, Ronson has rather more than half—more in value terms—with the rest held by such traditional competitors as Calibri, Maruman and Win.

Disposables appear to be competitive in actual operation compared not only with refillable gift lighters but also with matches, even after the latest Budget increase in duty. Some disposable makers claim their products will give up to 2,000 lights for about £1.30—about two to three months lights for a 20-cigarettes-a-day smoker.

Ronson, in recent market research, has noted a trend towards trading-up in gift lighters from flint to the battery-sparked lighter and now to the "piezo" electric ignition lighter, which offers everlasting ignition if the fuel is there. It has just launched its Wedge lighter in this design and hopes it will replace the successful Ronson Comet traditional flint lighter, of which over 30m have been sold. The price will be about the same at around £5.75.

Even in the world-wide prestige lighter market established manufacturers are facing formidable competition from Japan. British imports last year of Japanese lighters amounted to £7.5m in value, out of an import total of £18.9m. Exports were rather lower at £18.4m.

One British chain of newsagents, tobacconists and stationers—with 286 shops—has placed orders for Japanese electronic lighters which, it claims, will sell at less than half the price of equivalent European-made lighters.

The merchandising director of this chain condemns the traditional makers of lighters, pens and wet shavers. They had all adapted too late to the disposable product revolution. Their managements, he suggests, "have shown no entrepreneurial ability in recent years and have adapted too late to product technology and market trends."

If someone just wants a light—for a cigarette, a gas fire or cooker—disposable lighters are an attractive alternative to even the wooden match. After the Budget excise increases on matches and lighters the following calculation emerges: a box of about 43 matches selling at up to 5p offers a cost per light of about one-tenth of a penny.

Some disposable lighters, selling at about £1.50 and offering 2,000 lights (and how many people make a note of every light) would give an average cost per light of 0.075p, or 25 per cent less than a match cost. Dealing in these bulk terms, there is the added convenience of buying one light throwaway instead of 45 boxes of matches.

Norway has helicopter problems, too

The recent UK helicopter crashes have revived Norwegian interest in the thorny problem of safe transport to offshore installations. So far, 34 have died in three helicopter crashes in connection with Norway's offshore activities—four in 1973, 12 in November 1977 and 18 in the worst crash of all, in June 1978. All involved Sikorski S-61s. The 1973 accident was caused by a defective tail rotor, and that in 1978 by loss of rotor blades as a result of metal fatigue. The cause of the 1977 crash was never discovered.

After the 1977 and 1978 accidents, the Norwegian Government helped fund a research project to look into alternative methods for personnel transport offshore. A research team at the Trondheim Ship Research Institute has considered the floating airport concept, which would allow ordinary aircraft to ferry personnel to the fields, as well as designs for a variety of purpose-built passenger craft, one of them a kind of cross between a catamaran and a floating hotel platform.

A major headache is how to find a safe way of transferring people to the oil installations from ships, mobile platforms or whatever. Gangways are feasible only in fairly calm weather, and then only if the passenger craft rides very high in the water (this would be the case with the specially adapted floating hotel platform). A ship-to-platform transfer method often used in the North Sea—though in theory not permitted in Norway's sector, is the personnel basket. This is an open, rope cage to which men must cling with their hands and feet, dropping off at the crucial moment when the basket is just above the pitching, rolling deck of the ship alongside.

According to Mr Per Queseth, a member of the Trondheim team, some five to seven people have been killed using the basket in Norway's sector. He said the exact number was a matter of definition. One of those who died had dropped off in mid air, obviously suffering from a heart attack. "According to some records, he died of a heart attack. According to others, the fall killed him," Queseth said.

Interviewed before the UK crashes, he told us that he was constantly hearing of close shaves—emergency landings—that the public knew nothing about. He said he knew of around 15 on Norway's shelf and 25 in the UK sector.

"It's just a matter of time before the next big crash," he said. When it came, he forecast, there would be renewed union pressure for alternative transport to the oil fields.

The French flush of success

The French Automatic Public Toilet (APT, nothing to do with the Advanced Passenger Train) may soon become a feature of London's streets and open spaces. At least two London boroughs — Westminster and Hammersmith and Fulham—are considering plans to use these automatic, Unisex lavatories that resemble small, fortified telephone kiosks.

The APT has been operating effectively in Paris for the past 18 months. It has been such a success that the Paris authorities have ordered a further 400, to add to the 40 already in service.

According to the Cleaner London Campaign, which is spearheading a move to launch the APT in Britain, the new loo makes going to a public lavatory "rather a fun visit." When a user inserts a coin into an APT, soft music begins to play in the cabin. There is a loo pedestal with heated seat and a secure supply of paper.

After the user leaves the APT, the cabin door is automatically sealed for 45 seconds. During that time, the lavatory seat is automatically tipped up and washed, a revolving brush comes down (much like a car-wash), disinfectant is sprayed and air freshener dispensed. Then the APT is ready for use again.

Mr Eric Hodson, who recently led a team from Hammersmith Council to see the APT in action, says the new loo has two main advantages: "It is vandal-proof and much cheaper than conventional public lavatories." What most impressed the council members—the Director of Engineering, his assistant and three councillors—was the excellent condition of the APTs in the centre of Paris. Not a tracee of graffiti was to be seen, and parts had been replaced as soon as they were damaged or worn-out.

Decaux, the French industrialist who designed the APT, is offering to maintain a minimum quantity of 20 for a London borough at a quoted rental of £6,250 a year. However, Mr Hodson would hope to instal the APTs for much less. Whether his council goes ahead depends, to an extent, on the attitude of the unions.

Hammersmith has had to close a number of public lavatories in the past few years for cost and other reasons, and is now in negotiations to see whether some could be manned for only part of the day. Planning permission would also have to be sought for the new APTs.

Is there a danger that an APT user may suffer the fate of those three old ladies who bided their time from Monday to Saturday? Definitely not, according to Decaux. After the APT—strictly a one-person capsule, since entry is from the street—has been occupied for 20 minutes, a red light flashes on top of the cabin and an alarm sounds. That, surely, is enough to deter dossers.

"At the rate our traditional conveniences are being closed down, it will soon be a two-mile walk to find one that's open," comments Michael Butler, secretary of the Cleaner London Campaign. A survey by his organisation found that 60 per cento f Londoners described the standards of the capital's lavatories as "very bad," while 64 per cent would be prepared to pay 5p for an APT standard of cleanliness. Relief may soon be at hand.

Contributors

James McDonald and Lisa Wood
Fay Gjester
Gabriel Bowman

Economic Diary

SUNDAY: National Savings monthly progress report (July). M Claude Cheysson, French Foreign Minister, begins two-day visit to New Delhi. First day of International Craft and Hobby Fair, Wembley Conference Centre. Solar World Forum—International Energy Society Congress and Exhibition begins, Brighton Centre.

MONDAY: Mr Nikolai Firyubin, Soviet Deputy Foreign Minister, in Pakistan for talks on Afghanistan and for discussions on next month's United National General Assembly. Mr Jimmy Carter, former U.S. President, in Peking at beginning of two-week visit to China and Japan. International Television Festival opens, Edinburgh. Congress of International Association for Hydraulic Research for Asia and the Pacific opens in Bandung, Indonesia.

TUESDAY: Unemployment and unfilled vacancies August provisional figures. Mr Menachem Begin, Israeli Prime Minister, and Mr Ariel Sharon, Defence Minister, on two-day visit to Egypt for talks with President Sadat.

WEDNESDAY: Trades Union Congress general council meets.

THURSDAY: Energy Trends publication by Department of Energy. Gazette of the Department of Employment will include final figures for unemployment and unfilled vacancies (July); employment in the production industries (June); overtime and short-time working in manufacturing industries (June); and stoppages of work due to industrial disputes (July).

FRIDAY: BL half-year results. New vehicle registrations (July). Car and commercial vehicle production July (final).

Cooper Inds. deficit mounts to £1m

IN THE year to April 30 1981 Cooper Industries made taxable losses of £1.03m compared with profits of £726,000 on turnover £9.2m lower at £16.74m.

At the half year stage this steel re-roller, precision engineer, steel stockholder and fastener and tool distributor had already incurred pre-tax losses of £442,000 (£437,000 profits) and turnover was down at £9.05m (£12.09m).

After having missed an interim dividend, a payout for the year of 0.5p net per 10p share is being made. Last year an interim of 0.6p and a final of 0.65p were paid.

The directors say the group has been pursuing a policy of disposing of loss making companies and supporting those with the greatest potential. With a 30 per cent holding in the company they say they have a vested interest in making it profitable and in resuming the payment of adequate dividends.

"To this end we regard our investment in F. H. Lloyd Holdings to be of considerable long term benefit," they conclude.

The taxable losses were struck after associated losses of £7,000 (£317,000 gains) and there was a tax credit of £243,000 (£266,000 charge). Extraordinary credits amounted to £211,000 (£74,000 debits).

The loss per share is stated at 2.5p (1.4p earnings) and the net asset value at 24.9p (25.6p).

Corah hit by heavy pressure on margins

PRE-TAX profits of Corah for the half year ended July 3 1981 fell to £529,000 compared with £1.02m in the same period last year. The company, based in Leicester, makes and distributes knitted clothing and fabrics and its biggest customer is Marks and Spencer.

Turnover, however, was 18 per cent higher at £23.09m compared with £19.59m. For last year as a whole pre-tax profits had been £1.76m on sales of £43.23m.

The board has decided to hold the interim dividend at 1.25p net, having paid a total of 2.9p last year. Earnings per 25p share for the six months are stated to have fallen from 2.9p to 1.3p.

Mr G. N. Corah, the chairman, says that as reported in his April statement, the harsh economic climate has continued to restrict spending power and exert great pressure on margins.

He says that during the past 18 months the company has absorbed cost increases, notably from the public sector, which could not be reflected in selling prices.

Also, the industry continues to compete against a "tide of low cost imports" and he says that a favourable outcome to the current renegotiation of the Multifibre Agreement is therefore of paramount importance.

During the first six months direct export trading increased by 49 per cent compared with the same period last year.

On outlook, Mr Corah says that the company entered the second half of 1981 with a strong order book requiring some recruitment for growth at most factories. The board anticipates a levelling out in the trend of the company's recent profit performance.

Attributable profits this time were £394,000 against £857,000 after tax had taken £135,000 (£165,000). The ordinary dividend absorbs £368,000 (same), the preference dividend £7,000 (same) and £19,000 is retained compared with £482,000.

● comment

Corah's pre-tax profits were *nearly halved at the interim* stage but the company is battling the knitwear recession with both fists. By next spring, Corah will have completed a three-year, £5.7m capital spending programme to modernise equipment and improve productivity. The programme has been largely funded out of cash-flow and the balance sheet remains lightly geared. Although Marks and Spencer buys some 60 per cent of the group's output, Corah is working hard to broaden its marketing base to further protect itself from the traumas of knitwear. Exports have more than doubled in the last two years and are now more than 17 per cent of sales. The group has also moved into retailing which could provide some £3m in sales this year. The group's own *confidence in longer-term profits* growth is emphasised by the barely covered interim dividend. Order books are strong in the second half and the final could also be 1.25p if trading picks up. On shares up 1p to 36p, this would provide a prospective yield of some 10 per cent.

Youghal Carpets on target

THE board of Youghal Carpets (*Holdings*) says that the half year to June 27, 1981 has resulted in a virtual elimination of the losses experienced in 1980. Pre-tax loss of this Cork-based manufacturer was £58,000 compared with £1.56m last time on turnover of £32.42m against £32.22m.

As indicated at the AGM in June, the board sees this as the beginning of a hoped-for climb back to profit. The company is on target but the board is "well aware of the realities of the world market situation in which it operates and in particular the poor conditions in the carpet industry."

Consequently the interim dividend will be omitted again.

Starting today the "Summary of the week's company news" column will include the results of companies whose figures were published in the previous Saturday's edition.

The last dividend was paid in 1977. Stated half-year losses per 25p share are down from 6.3p to 0.7p.

With 60 per cent of total sales in the troubled UK market, the board says the company is suffering more than most and is therefore seeking to increase its share of exports.

The board says that the elimination of losses has been a result of many difficult and unpleasant decisions. But if support for the recovery programme continues, 1981 may witness a reversal of the ill fortunes of the group so that break-even or a modest profit may be achieved by the end of the year.

From trading profits of £1.64m (£663,000) depreciation took £430,000 (£479,000), interest £1.27m (£1.74m) and tax £40,000 (credit £522,000) leaving loss attributable to shareholders of £98,000 (£1.04m).

Ward Hldgs. drops £0.5m at mid-year

CONTINUING difficult market conditions have led to a fall in *pre-tax profits of Ward Holdings* from £813,000 to £310,000 for the six months to April 30, 1981, on higher turnover of £6.52m, against £5.9m last time.

Results to date continue to be affected by the conditions, the company states. Its activities are in housebuilding, merchanting, plant hire, manufacturing and property investment.

The interim dividend, however, is being maintained at 1.19p net per 10p share — last year's final payment was 3.01p on pre-tax profits of £1.58m.

Tax for the half year took £37,000 (£35,000) and after minority credits of £1,000 (same) the attributable surplus was down from £779,000 to £274,000.

Bromsgrove Casting well placed for an upturn

ALTHOUGH PRE-TAX profits for the 1980-81 year showed a sharp decline, Mr J. M. L. Ormerod, the chairman of Bromsgrove Casting and Machinery says he is confident that the company, which makes aluminium castings, is well placed to take advantage of the upturn in business when it comes.

He says this is particularly so with the work in which the company is involved on the Mini Metro and with its new customers in the field of turbo chargers.

Mr Ormerod points out, however, that the manufacturing business has gone through a change in the period of depression. The company is finding that all customers are requiring a period of price stability and this is being contained with the support of the workforce and capital investment leading to improved efficiency.

In addition, the demand is for the highest standard of quality and the end result is that the profit margin is difficult to maintain, he states.

As reported July 3, pre-tax profits fell to £181,712 for the year ended March 31 1981, against £356,089 previously, on turnover down from £3.73m to £3.11m. The dividend total is being reduced from 4p to 2.25p net, with a 1.5p final.

The chairman comments that the year was the most difficult trading period encountered by the company and a time of *market recession with all its customers* meant putting its labour force on short time working from October, 1980 to January, 1981.

At the year end, fixed assets totalled £594,714 (£615,613) while net current assets improved from £583,449 to £636,316. Shareholders' funds amounted to £753,352 (£710,640).

Meeting, Bromsgrove, Worcs., September 15, at noon.

Utd. Glass incurs loss of £4.6m

IN THE 28 weeks to June 13 1981 United Glass incurred taxable *losses of £4.62m compared with* profits of £14,000 last time and losses of £5.57m for the year to September 29 1980. Turnover *for the half year* slipped from £95.29m to £90.46m.

The deficit of this unquoted glass and plastic container manufacturer *jointly owned by* Distillers and Owens-Illinois was struck after redundancy payments of £1.7m (£2.43m) and interest charges of £2.76m (£2.12m).

There was again no tax for the period.

Mr John Small, *group* managing director says there has been no recovery in demand during the first six months and the company has been particularly affected by the continued depression of the wines and spirits market, the most important sector of its business.

As a result, the volume of output has been much lower and the company has had to operate well below normal production capacity.

The programme to rationalise manufacturing facilities and to achieve competitive manning has continued, although this carried a high level of redundancy and termination costs.

Results for the first half also *reflected a six week strike at the* Peasley factory of United Glass Containers over the issue of redundancy. Although some sales were lost we are grateful for the strong support from our customers at that time.

"We see no signs of a significant upturn in trading for the second half of the year and manufacturing capacity will continue to be under-utilised," Mr Small adds.

The company has been adversely affected by the rising energy costs it has to pay particularly because of lower costs borne by other EEC competitors. However, it says there are indications that glass container imports have fallen *this year from about 10 per cent* of the market to 8 per cent.

Although stocks held by customers have been reduced dramatically the company says some measure of price increase will be needed soon. It puts such an increase at under 10 per cent.

Westwood Dawes and Co £158,868 in red midway

IN THE six months to June 30 1981 Westwood Dawes and Co. slumped from taxable profits of £33,901 to losses of £158,868, on turnover slashed from £1.36m to £478,950. *Pre-tax profits for 1980* were £91.

The interim dividend is again being missed—the last payout was made in 1979 with a final of 1.5p net per 25p share.

The directors of this structural and mechanical handling equipment engineer say that during the half-year no major contract was obtained and other general orders were at a low level. This necessitated further redundancies in May.

Recently, incoming orders have been at a more satisfactory level and the directors say these—together with cost reductions—*should help stabilise the position* during the third quarter.

In early August the company won a substantial contract with a sales value in excess of £500,000, but the directors say it is quite clear that the year as a whole will show a considerable loss.

The taxable losses were struck after redundancy costs of £37,842 (nil), and there was a tax credit of £82,611 (£16,669 charge).

Greycoat Ests. qualified over Coin St. plan

NO PROVISION *has been made* in the accounts of property development and investment group Greycoat Estates for expenditure incurred, or to be incurred, on its joint development at Coin Street, London, SE1, which is subject to a public planning inquiry.

The group's auditors, Arthur Young McClelland Moores and Co, say that subject to this uncertainty the accounts for the *year to March 31 1981 show a* true and fair view.

The directors say that no charge has been made because they are confident the development will ultimately proceed.

As reported on July 29 the group made taxable profits of £340,199 (£242,234) on turnover of £882,026 (£696,086). At the year end shareholders funds stood at £6.06m (£1.95m) and net current assets came out at £1.94m (£332,111 liabilities).

ARLINGTON MOTOR

Overall there had been little change in the trading situation at Arlington Motor Holdings since its accounts were published, Mr Norman Housden, the chairman, told the AGM.

Car sales had shown an encouraging improvement while prospects for the truck division had declined. Both the car auction and contract hire and *leasing activity had continued to* produce good results.

The company was continuing to look for further opportunities *to expand its activities in those* areas which showed the best prospects.

RIGHTS RESULT

Percy Lane Group has received acceptances in respect of 1.27m ordinary shares (95.18 per cent) for its rights issue of 1.34m shares at 35p. The balance not taken up has been sold in the market at a net premium, which, after deducting expenses, will be distributed to those shareholders entitled on September 1.

Canadian and Foreign may unitise

THE BOARD of Canadian and Foreign Investment Trust, a £12m company whose managers are Martin Currie, has turned down plans for its future put forward by the Royal Bank of Canada (Channel Islands) and is now considering unitisation.

In June this year RBC purchased a 14.9 per cent stake in C and F and then put certain proposals to the company concerning its future.

C and F said yesterday that these "had now been carefully considered by the board of C and F who have concluded that the uncertainties in respect of the taxation position are such that the proposals should not be pursued further."

If unitisation is effected "it would be the intention to follow international investment policy." The shares yesterday closed 1p lower at 183p.

Boardman better placed

During the year to March 31 1981 K. O. Boardman International cut its bank borrowings *from £4.6m to £2.5m. In his* annual statement Mr G. S. Ruia, chairman, says this has put the group on a much firmer financial base.

With activities now restricted to the more manageable field of importing and wholesaling of garments and commercial printing and stationery, the board feels in a strong position to take advantage of any upturn in the economy.

However, Mr Ruia says that current trading conditions remain extremely difficult and the company is suffering from a reluctance by its customers to commit themselves to orders *until the last possible moment*, making it difficult to forecast with any degree of confidence.

The group is also feeling the effects of the fall in sterling which is having a major impact on importers' margins.

The balance-sheet at March 31, 1981 shows fixed assets at £1.47m (£1.69m), net current assets of £2.84m (£2.26m) and shareholders' funds of £4.4m (£3.71m).

The AGM of the group will be held in Manchester at noon on September 10.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Cooper Industries		0.5	Oct. 14	0.65	0.5	1.25
Corah	int.	1.25	Oct. 9	1.25	—	2.9
William Jacks	int.	Nil	—	Nil	—	0.5
Parambe	int.	0.25	Oct 9	0.2	—	0.6
Ward Holdings	int.	1.19	Oct 1	1.19	—	4.2

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Gallaher has almost 88% of Ofrex

FOLLOWING the successful conclusion of its protracted battle *for control of* the Ofrex Group, Gallaher purchased a further 3.7 per cent of the shares through the stock market on Thursday taking its stake in the London-based office supplies and industrial products group up to almost 88 per cent.

As part of Gallaher, Ofrex is to "vigorously pursue" major opportunities for profitable growth on a world-wide basis.

Mr Stuart Cameron, chairman of Gallaher, says in the official offer document sent to shareholders yesterday that "as a *member of our group Ofrex will* have the opportunity of obtaining on normal commercial terms, additional manufacturing and distribution rights for complementary lines of office products as well as access to relevant new technologies.

Ross may seek place on Sumrie board

MR HARVEY ROSS, the Yorkshire businessman, may seek boardroom representation at Sumrie Clothes, the loss-making menswear manufacturer.

Mr Ross, who this week bought a further 20,000 Sumrie shares in the market at about 65p, now holds 25.08 per cent of the company. He said he was still looking for shares and hoped to meet the chairman of Sumrie next week to discuss a "closer relationship" including the "possibility of boardroom representation."

Sumrie's shares remained at *80p in contrast to Standard* Fireworks, the other company where Mr Ross is currently building up his share stake. Standard's shares leapt to 144p, 5p up on the day and 13p up on the week.

Mr Ross, who now holds 5 per cent of Standard, says he bought the shares in the market and intends to make further purchases next week.

Mr Ross said he regarded Standard Fireworks as "a good investment." The company made a pre-tax profit of £799,681 for the year to March 31 1981 an increase of £261,504 on the previous year.

BIDS AND DEALS

MAI extends offer for another week

Mills and Allen International, whose bid for Letraset has been vehemently rejected by the board, *is extending its offer* for another week and is calling for balance-sheet information to accompany Letraset's profit figures *next Friday*.

MAI's offer has now been extended to September 4, in order to give Letraset's shareholders a chance "to consider the offer fully," after Letraset publishes its figures on Friday, MAI said yesterday.

However, MAI claims that profit and loss figures will not be sufficient to permit shareholders to evaluate the company. "It is equally important that the anouncement should include a breakdown of Letraset's balance-sheet following the writedowns incurred in 1980-81."

Letraset has said that it may have to write off £5m as a result of curtailing some of the activitie of its loss-making subsidiary, Stanley Gibbons, and the closure of two toy companies. However, it has indicated that it will not be writing off any of the goodwill attached to Gibbons which it bought two years ago for £15m.

MAI, in a letter to shareholders yesterday, also returned to the contested issue of MAI's poster business which Letraset claims is likely to contract. MAI claims that in Ireland, where cigarette advertising was banned at short notice, the following year's poster sales reached a record level.

Burnett and Hallamshire in £12m mining purchase

Burnett and Hallamshire, the fast expanding opencast coal-mining oil and property group, has further extended its operations in the UK by the acquisition of the McErlain Plant group for a maximum consideration of £12m.

McErlain's main activity is the extraction of coal and other minerals by opencast methods principally operating in Derbyshire, Nottinghamshire and South Yorkshire. The company has interests in eight current and potential opencast sites the largest of which is at Ryefield, *Derbyshire. The proven reserves* at these sites are at least 5m tonnes of coal.

Burnett believes that the *acquisition of McErlain enhances* the group's portfolio of opencast sites and will further the growth of the mining division.

Mr George Helsby, the chairman, said yesterday that the group had about 1,000m tonnes of coal reserves around the world. In the U.S. these amounted to 50m tonnes and in South America 250m tonnes.

The group was continuing to pursue acquisitions but would identify the market first. Mr Helsby said that currently the group was negotiating with five world governments.

As regards expansion in the UK Mr Helsby said that the group had identified about six more companies in the same category as McErlain. Of other activities the chairman said that the group was involved in "a very substantial property *development in the U.S.*"

Based on warranted profits of £2.75m for the year ended March 31 1982 a consideration of £10.2m will be satisfied in shares. In addition further shares will be issued valued at £1.8m as soon as McErlain is in a legal position to undertake the stabilisation of a site of some 60 acres of freehold land owned by it for the purpose of industrial development.

Profits before tax of McErlain for the year 1980 amounted to £1.33m and the net tangible assets at that date were £3.2m.

Churchbury fires closing shot

CHURCHBURY ESTATES fired a closing shot yesterday in its successful, but not yet completed reverse takeover battle for the *Law Land Company. It said that* acceptances to date give it 73.45 per cent of Law Land equity, reminding the minority that the *offer closes next Wednesday.*

Mr Oliver Marriott, chairman and managing director of Churchbury, also took issue with *Sir Henry Warner, Law Land's* chairman, over some of the statements made in Law Land's defence.

Mr Marriott noted that the *Law* Land directors had argued (on July 31) that if remaining Law Land shareholders did not accept *the Churchbury offer there* would still be a far larger market in the former.

Mr Marriott pointed out that at the present level of acceptances, and at current market prices, the market value of all Churchbury ordinary shares which will be listed will be *£43.4m, while that of the remaining* Law Land ordinary shares will be £12.9m.

The Churchbury chairman also defended his own share price, to an extent at Law Land's expense. The Law Land board had questioned the value of Churchbury shares at 680p, he said. Their current market value was now 755p, and now that Churchbury controls nearly three-quarters of Law Land its diluted net asset value comes out at 863p—putting the Churchbury shares in the market at a discount to net asset value of 12½ per cent.

Mr Marriott also said that Churchbury's rental income, based on its present portfolio and current market rents—"excluding recent and certain sales in progress"—is expected to increase by in excess of 10 per cent over the next three full financial years.

Churchbury told the Financial Times yesterday that the rents projection, prepared in conjunction with estate agents Allsop and Co., would already have been built into the existing valuation of the Churchbury portfolio.

Mr Marriott added that with the Law Land board and its connections controlling some 10 per cent of the Law Land shares Churchbury's present target was the remaining 16 *per cent. of the* equity which it sees as uncommitted.

"Given the tendency of many shareholders to do nothing when a board advises them against accepting a bid," said Mr Marriott, "we think that we have done very well so far."

MINING NEWS

Northgate-Patino C$120m deal

BY KENNETH MARSTON, MINING EDITOR

CANADA'S Northgate Exploration announces its long-awaited major new investment move. It takes the form of a C$120m (£54m) acquisition of assets held by the Netherlands-based Patino group.

These include three mines in the Chibougamau area of Quebec producing copper, gold, zinc and silver. The exercise of various options will also give Northgate an important 6 per cent indirect interest in Brascan, the Toronto holding company controlled by the Bronfman interest. Brascan has just reached an agreement to acquire for just over C$1bn a 37 per cent stake in Noranda.

The deal is that Mr Antenor Patino will exercise his option, on or about September 17, to purchase all the shares of the parent company Patino Mining NV. The latter owns 95 per cent of Patino NV.

Patino NV will then sell to Northgate all the shares of its subsidiary mining companies and its 34 per cent indirect interest in Edper Equities (which holds a controlling interest of 48 per cent of Brascan) for approximately US$144m.

Northgate will have the option to sell back the Edper investment to Patino NV prior to October 31 for approximately $70m. The exercise of this right will permit Mr Patino to require Northgate to purchase 35 per cent of Patino Mining NV for approximately $24m.

This will leave Mr Patino with the remaining 65 per cent of Patino Mining NV and he will *cause Patino NV to pay a dividend* of $55 per share.

The mining operations will provide Northgate with a substantial revenue. Last year they made C$50.8m before taxes and a net income of C$19.6m.

Brascan last year earned C$86m. Its estimated market value of net assets before income taxes was C$1.4bn. Dealings in Northgate were resumed yesterday at 430p after the shares had been suspended on Thursday at 485p.

L. Texas Pet. share placing

STOCKBROKERS Henderson *Crosthwaite and Co* have placed with institutional and private clients 15,536,500 shares in L. Texas Petroleum at a price of US$1 per share to raise in excess of $15.5m (£8.3m).

L. Texas Petroleum (LTP) is a private Texas-based oil exploration and production company, with established proved and probable reserves in Texas and New Mexico of 848,000 barrels of oil and 4.47m cubic feet of gas which, according to petroleum consultants Keplinger and Associates, are valued at $24m.

The funds raised in London will be used to develop LTP's existing discoveries and for future exploration in Texas and elsewhere in the U.S.

LTP was founded in September 1978 and up to 1980 organised and managed three drilling funds. During the last [illegible] years it established the Texas and New Mexico oil and gas reserves.

LTP shares are not at present listed on any stock exchange but the company has given a written undertaking to Henderson Crosthwaite of its intention to apply for a full quotation or for a quotation in the Unlisted Securities Market when it is able to meet the relevant requirements.

48% of GFSA held by Consgold

LONDON'S Consolidated Gold Fields has acquired an additional 291,100 shares, or 1.58 per cent, *of its South African gold mining* arm, Gold Fields of South Africa. This brings the London parent's holding to 48 per cent.

Consgold said yesterday that it had no intention of increasing its stake in GFSA beyond the 48 per cent level. The shares were purchased in the open market. They closed unchanged yesterday at 525p.

Poor first quarter for RCM

Reduced production and sales of copper, a fall in the value of prices received and the depressed state of the cobalt market have taken their toll of Zambia's [illegible] per cent state-owned Roan Consolidated Mines.

In the quarter to June 30—first quarter of the company's current financial year — RCM recorded a net loss of Kwacha 11.47m (£6.95m) compared with a net profit of K9.1m in the same period of 1980.

No quarterly dividend has been declared; in the year ended March 31 the company paid a single dividend of 12.5 ngwee (7.1p).

Copper production during the June quarter of this year fell to 52,540 tonnes compared with 63,712 tonnes in the same period of last year reflecting a series of wildcat strikes, while sales of copper dropped to 57,034 tonnes against a comparable figure of [illegible] tonnes a year ago.

Results due next week

Last year Associated Dairies (Asda) achieved 22 per cent annual growth to reach pre-tax profits of £49.98m. This time the interim figures were the merest shade higher at £22.8m, making it difficult for the group to push ahead in a truncated second half. The proceeds of a £45m rights issue will have eased that difficulty somewhat. However, the *market is fairly uniform in looking* for next Wednesday's preliminary figure to be a marginal improvement, £50m before tax or very slightly more. Food volume has probably held up well, but UKAY will still have been a negative element and the final few months' trading from *Allied Carpets* is unlikely to have sustained the good volume performance seen in the first half.

Analysts' predictions for Blue Circle, which reports interim figures on Wednesday, range from £33m to £41m for the six months ended June 30, against £34.2m last time. Although most of the betting falls in the £36m to £38m range, the wide split is due to varying estimates of the *dent left by the recent pay dispute* and the slump in the UK cement market. Overall, industry volume has dropped by 15 per cent in the half year and BCI's volume decline has been a bit steeper. Overseas contributions, however, remain strong, particularly from Mexico, Chile and Australia. For the full year, pre-tax profits are projected to reach £90m, against £78.6m, again supported by overseas growth. BCI *is committed to an ambitious* capital spending programme and as a result is not likely to be over-generous with its dividend this year. The market is expecting around 16.5p against 15p last year.

London Brick, which also reports interim results on Wednesday, is likely to show a pre-tax profit *slump* to some £1m or £2m, against £7.2m last time for the six months ended June 30. These predictions assume that *the costs of closing the Ridge*mont works—around £2m—fall below the line. The company has been hard hit by the decline in the brick market, but there are signs that demand is picking up. After the Ridgemont closure, London Brick is now on a five-day work week which, together with a recent 12.5 per cent price rise, should boost margins in the second half. As a result, pre-tax profits for the full year could *reach £6m to £7m*, against £10.7m last time. The dividend is likely to be maintained.

This Tuesday sees the release of half-time figures from London and Scottish Marine Oil (LASMO) and the City consensus appears to be a net profit of around £24m-£25m. This year's interim profit will be a lot higher than last year's *£9.3m, but there has been* a significant upsurge in production at Ninian. Also, a redetermination at Ninian has provided *LASMO with a 9.3 per cent stake* rather than 7.8 per cent. Finally, higher sterling prices came through as profits were converted from strengthened dollars. LASMO is also expected to announce its first-ever dividend next week and the betting is on an interim net dividend of 4p or 5p.

Other companies reporting this week include Charterhouse Petroleum, which reports interim figures *on Tuesday*, Pearl Assurance and Refuge Assurance, which report interim figures on Wednesday and Thursday respectively. Linwood Holdings and Raybeck report preliminary figures on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Associated Dairies Group	Wednesday	1.5	1.6875	1.75
Barget Group	*Thursday*	—	—	—
Brown Bros Corporation	Friday	1.0	1.1	—
Crouch Group	Tuesday	1.075	3.325	1.075
Douglas (Robert M.) Holdings	Tuesday	1.1	3.4	1.1
Hanover Investments (Holdings)	Wednesday	0.7	1.15	0.7
Jos Holdings	*Monday*	1.3c	2.25	1.075
Linfood Holdings	Friday	3.5	7.5	3.5
ML Holdings	Tuesday	2.0	5.0	2.0
Mining Supplies	Thursday	—	2.0	—
Moran Tea Holdings	Wednesday	5.0	3.0	2.0
Raybeck	Friday	1.131	3.168	1.131
Restmor Group	Tuesday	0.5	3.5	0.5
Second Alliance Trust	Thursday	2.25	6.25	2.25
Somportex Holdings	Thursday	—	5.625	—
Victor Products (Wallsend)	Wednesday	1.5	2.75	1.5
Waring and Gillow	Friday	1.5	4.0	1.5
INTERIM DIVIDENDS				
AI Industrial Products	Wednesday	—	0.01	
Alliance Trust	*Thursday*	3.25	7.25	
American Trust	Tuesday	0.7	1.4	
BBA Group	Thursday	0.84	0.9	
Blagden and Noakes (Holdings)	Monday	3.0	3.0†	
Blue Circle Industries	Wednesday	5.0	10.0	
British Assets Trust	Wednesday	2.55b	0.95	
Comben Group	Wednesday	1.2	1.35	
Fairclough Construction Group	Tuesday	1.65	2.85	
Fife Forge	Tuesday	1.0	3.0	
Hill and Smith	Thursday	0.90909	2.27273	
Hongkong and Shanghai Banking Corp.	Tuesday	0.144‡	0.3764§	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Lambert Howarth Group	Thursday	1.15	2.91	
Lec Refrigeration	Thursday	1.485	4.085	
London Brick	Wednesday	1.7342	2.632	
London and Scottish Marine Oil	Tuesday	—	—	
Macdonald Martin Distillers	Monday	3.0	8.5	
Mixconcrete (Holdings)	Thursday	1.55	†2.5	
Pearl Assurance	Wednesday	7.0	13.0	
Philips Lamp Holdings	Tuesday	0.65	1.25	
Queens Moat Houses	Tuesday	0.39286	0.39286	
Refuge Assurance	Thursday	3.9	8.4	
Robinson (Thomas) and Son	Wednesday	1.0	4.0	
Scottish Agricultural Industries	Thursday	5.75	5.0	
Scottish Northern Invest. Trust	Friday	1.2	2.25	
Sharpe (W. N.) Holdings	Monday	3.0	4.0	
Slough Estates	Wednesday	1.1	1.85	
Stanley (A. G.) Holdings	Wednesday	1.0	1.5	
Wagon Finance Corporation	Thursday	0.625	1.6875	
INTERIM FIGURES				
Alexanders Holdings	Monday			
Martin Black	Friday			
British Leyland	Friday			
Charterhouse Petroleum	Tuesday			
Johnson Matthey	Tuesday‖			
Needlers	Thursday			
New Darien Oil Trust	Wednesday			
Scottish Investment Trust	*Thursday* a			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim dividend. ‡ In HK$. § Special dividend in lieu of final. ‖ First-quarter figures. § In Fl. a Third-quarter figures. b Total of first, second and third interim dividends. c Includes a non-recurring dividend of 0.3p.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The battle for control of **Ofrex**, during which eight separate bids for the office supplies group were made since July 24, resulted in victory for tobacco group Gallaher, a subsidiary of American Brands of the U.S. Gallaher made its final offer of 190p cash per share on Tuesday. Rival suitor Dennison, whose own three bids had been recommended by the board of Ofrex, sold its 27.6 per cent stake in Ofrex to Gallaher on Wednesday, realising a £3m profit in the process. The deal is however still awaiting clearance from the Office of Fair Trading.

Life Insurance concerns were the subject of considerable speculative activity on the London Stock Exchange last week following a bid for **Provident Life Association of London** from Winterthur Swiss Insurance. Winterthur, which already holds a 25.46 per cent stake in Provident, is offering 320p cash per share for the outstanding equity. The bid, which Winterthur says will not be increased, has been rejected by Provident's board as inadequate.

Dealings in aggregates group **Hoveringham** were suspended on Tuesday ahead of the announcement that the Needler family, which, together with the board, speaks for almost 79 per cent of the company, has asked merchant bankers Hill Samuel to seek offers for the company. Hoveringham has been a take-over favourite for some considerable time and past suitors have included Ready Mixed Concrete, Tarmac and Redland.

Guthrie is continuing its diversification from plantations by paying $68m for 82.6 per cent of Page Airways of New York. The stake is currently held by directors of Page and their families and Guthrie will offer $57.65 cash per share to minority shareholders.

Loss-making engineering group **Ductile Steels** was the subject of a dawn raid on Thursday when Caparo offered to buy 1.6m shares at 78p each, hoping to increase its holding to the 14.9 per cent allowed under the new rules governing such transactions. In the event, Caparo managed to acquire only 1,415m shares and now holds 13.26 per cent of Ductile. Caparo has stated that it has no present intention of launching a full-scale bid and views the stake as a long-term investment.

Amalgamated Metals is in talks with parent company Preussag of West Germany which may lead to the latter making an offer for the remaining 20.5 per cent of the capital.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated				
Amal. Power	140*	132	109	25.61	Northern Engng.
Catalin¶¶	70*	70	68††	1.19	Ruberoid
Harris & Sheldon	56*	53	32††	22.26	Otis Electr. (UK)
Hill (Chas.)	125*	148	92	1.46	Consortium
Hirst & Mallinson	38§	31	30	1.99	Assoc. Brit. Eng.
Law Land¶¶	130§	129	99	44.43	Churchbury Ests.
Letraset	112§	120	87	48.10	Mills and Allen
Ofrex	190*	190	138	37.74	Gallaher
Paringa	80*	82	72	8.64	Apollo Int. Mines
Provident Life	320*§	330	222	11.34	Winterthur Swiss
Ruo Estates	58*§	57	58	0.79	E. Produce and Laurie Plantatns.
Tricoville	107*	102	84½	4.28	Taurus Vhcl. Lsg.
Unochrome Inds.	25*§	24	15½	2.93	Eastern Produce
Utd. City Merc.	40*	39	29††	14.07	Arab Asian Bank
Westbrick Prods.	75*§	82	85	2.84	Brazer (C. H.)
Wight Hldgs.¶¶	35*§	34	30	0.44	Thornwood Inv.

Rights Issues

Durapipe International—Is raising £2.1m net of expenses by an issue at par of equal numbers of 5½ per cent convertible redeemable preference shares and of 11½ per cent redeemable preference shares of £1 each.

HAT Group—Is raising £7.35m by way of a rights issue on the basis of one for four at 62p per share.

Laird Group—Is raising £17m by way of a one for four rights issue at 110p per share.

Morgan Crucible—Is raising £10.8m by way of a rights issue on the basis of one for four at 107p per share.

PRELIMINARY RESULTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)			
AGB Research	Apr.	[illegible]	([illegible])	19.0	(9.1)	5.5	(4.5)
Apex Properties	Mar	721	([illegible])	5.2	([illegible])	2.0	(2.0)
Dale Electric	Apr	453	(2,010)	8.1	(4.6)	2.3	(4.13)
Elliott (E.)	Mar	326L	([illegible])	—	(0.9)	—	(1.0)
English Assoc.	June	1,056	(300)	20.0	(12.5)	6.0	(5.0)
Gelfer (A. and J.)	Mar.	843	(332)	7.5	(7.3)	3.9	(3.7)
[illegible] Hldgs.	Apr	606	(467)	9.9	(4.7)	5.6	(—)
[illegible]	Mar	111	(399)	4.1	(27.4)	—	(2.52)
McKay Securities	Mar.	1,310	(950)	3.9	(3.8)	2.7	(2.36)
Meat Trade Spirs.	Apr.	459	(363)	15.7	(12.0)	7.55	(7.55)
[illegible]	Mar.	3,100L	(2,310)	—	(5.8)	0.1	(3.32)
Newmark (Louis)	Mar.	1,510	(2,210)	36.0	(25.0)	11.0	(10.5)
Peek (Wilson)	Mar.	32L	(33)L	—	(—)	—	(—)
Pifco	Apr.	2,200	(2,310)	25.4	(28.1)	5.28	(4.8)
Press Tools	Apr.	215	(418)	8.9	(10.1)	2.0	(2.7)
Reardon Smith	Mar.	1,430	(116)	17.0	(4.0)	1.75	(0.1)
Reliance Knit	Apr.	105	(573)	0.8	(6.5)	1.54	(3.1)
Sightwise	Dec	352	(342)	18.4	(15.8)	1.0	(—)
Star Offshore	Mar	968L	(3,906)L	—	(—)	—	(—)
Vibroplant	Mar.	1,920	(3,320)	20.8	(45.5)	14.53	(14.33)
Wholesale Fittings.	Apr.	3,260	(3,540)	13.4	(17.5)	4.13	(3.75)
Woodrow Wyatt	Mar	205L	(700)	—	(6.0)	0.5	(2.5)
Worthington (A.J.)	Mar	95L	(83)	3.2	(3.0)	0.9	(1.0)

Offers for sale, placings and introductions

Birmingham District Council—Is raising £75m by way of a [illegible] stock 1986-92.

Exeter Building and Construction Group—Is coming to the unlisted securities market.

Thames Oil and Gas—Is raising £9m by way of a private placing of 6m ordinary £1 shares at 150p per share.

INTERIM STATEMENTS

Company	Year to	Pre-tax profit (£000)		Earnings* Dividends* per share (p)	
Baynes (Charles)	June	154	(209)	0.25	(0.2)
Benford Concrete	June	939	(1,330)	0.55	(0.55)
BPC	July	8,120L	(6,540)L	—	(—)
Braime (T.F.&J.H.)	June	117	(148)†	1.5	(1.5)
Clay (Richard)	July	662L	(334)	—	(1.6)
Dufay Bitumastic	June	151	(75)	0.5	(—)
Horizon Travel	May	651	(540)	1.15	(0.85)
Ind. Newspapers	June	1,010‡	(2,130)‡	4.0	(4.0)
Johnson Cleaners	June	2,140	(1,740)	2.15	(2.0)
Jourdan (Thos.)	June	49	(331)	1.75	(1.75)
Laird Group	June	7,600	(5,400)	2.0	(1.85)
Morgan Crucible	June	2,530	(6,490)	3.5	(4.5)
Nash (William)	June	87L	(127)	5.0	(5.5)
Noble and Lund	June	54L	(54)L	—	(0.18)
Olives Paper Mill	June	69L	(5)	—	(—)
Rotork	June	1,160	(1,480)	1.1	(1.1)
Reed Stenhouse	June	10,566¶	(10,273)¶	—	(—)
Royal-Dutch Shell	June	456,000	(1.4bn)	—	(—)
Royal Insurance	June	65,000	(62,400)	9.75	(9.25)
Squirrel Horn	July	300	(190)	0.75	(0.75)
Unilever	June	264,100	(257,900)	—	(—)
Wdhse. & Rixson	June	226	(306)	0.5	(0.3)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † Trading profits. ‡ In I£. ¶ For nine months. L Loss.

Scrip Issue

English Association Group—One for one

Victoria Carpet's plans upset by rationalisation

THE slimming down of the workforce at Kidderminster and the relocation of plant has delayed the introduction of new ranges of carpets necessary to ensure a bigger share of the UK market, Mr C. C. Taylor, chairman of **Victoria Carpet Holdings**, says in his annual report.

In the first six months of the current year, the group will do well to break even, but it looks to a profit as the new ranges come into production for the second half.

He says the group also looks forward for further improvement in its export trade which, in a year in which UK exports of carpets fell by 16 per cent, declined by only 8 per cent.

The group is actively seeking rental income from the redevelopment of the unoccupied space at Green Street. Immediate prospects are not bright, but benefits should arise from the elimination of overheads on this property, he says.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$400	—	—	5	52	—	—	$429.50
GOLD C	$425	40	5	1	30.50	—	—	"
GOLD C	$450	—	—	17	22	—	—	"
GOLD C	$475	—	—	50	10	—	—	"
GOLD P	$425	1	1	7	20	—	—	"
GOLD P	$450	—	—	—	—	1	32.50	"
		Oct.		Jan.		April		
ABN C	F.320	5	3	—	—	—	—	F.294.50
AKZO C	F.22.50	11	4.10	—	—	—	—	F.25.50
AKZO C	F.25	121	2 A	—	—	6	4.30	"
AKZO C	F.27.50	—	—	38	1.90	—	—	"
AKZO P	F.17.50	20	0.20	—	—	—	—	"
AKZO P	F.25	108	0.80	5	1.10	—	—	"
AMRO C	F.50	10	3.50	—	—	—	—	F.52.60
HEIN C	F.45	10	3.30	—	—	—	—	F.45
HEIN C	F.50	12	1.50	—	—	—	—	"
HEIN C	F.60	10	0.30	—	—	—	—	"
HEIN P	F.55	10	10.20	—	—	—	—	"
HOOG C	F.20	—	—	14	1.70	—	—	F.17.90
HOOG P	F.17.50	—	—	10	1.10	10	1.30	"
IBM C	$60	6	1¼	—	—	—	—	$57½
KLM C	F.90	6	20.50	—	—	—	—	F.107.50
KLM C	F.110	16	8.50	—	—	—	—	"
KLM C	F.120	35	5	—	—	—	—	"
KLM C	F.130	21	2.80	30	7.50 B	—	—	"
KLM C	F.140	20	2	25	4.80	—	—	"
KLM C	F.150	—	—	5	2.70	—	—	"
KLM P	F.90	8	1.80	—	—	—	—	"
KLM P	F.100	38	4.60 A	—	—	—	—	"
KLM P	F.110	29	10	—	—	—	—	"
KLM P	F.130	20	23.60	—	—	—	—	"
NEDL C	F.150	39	19.90	—	—	—	—	F.162
NEDL C	F.160	89	15	17	17	—	—	"
NEDL P	F.150	50	3	6	3.80	—	—	"
NEDL P	F.160	40	5.80	—	—	—	—	"
NATN C	F.120	—	—	7	5.10	—	—	F.115
NATN C	F.130	10	0.50	—	—	—	—	"
PHIL C	F.20	45	4.50	—	—	—	—	F.23.80
PHIL C	F.22.50	50	2.80	—	—	36	6.20	"
PHIL C	F.25	466	1.40	26	3.50 B	157	3.20	"
PHIL C	F.27.50	72	0.60	117	1.30	—	—	"
PHIL P	F.22.50	10	0.50	10	1	—	—	"
PHIL P	F.25	40	1.70	—	—	—	—	"
RD C	F.80	184	17 A	20	17.80	—	—	F.96.60
RD C	F.90	37	8	21	9.50	—	—	"
RD C	F.100	28	2.70	16	4.80	14	7	"
RD C	F.110	14	0.60	—	—	—	—	"
RD P	F.90	62	3	11	4.40	—	—	"
UNIL C	F.160	19	6	—	—	—	—	F.159.10
UNIL C	F.170	—	—	29	3.50	—	—	"
UNIL P	F.150	—	—	9	4.80	—	—	"
UNIL P	F.160	10	4.50	—	—	—	—	"
UNIL P	F.170	10	11	—	—	—	—	"
		Aug.		Nov.		Feb.		
BOEI P	$25	—	—	—	—	5	1⅜	$26⅝
MANN C	DM.160	—	—	10	7.50	—	—	DM157.30
SIEM C	DM.260	—	—	—	—	5	6.50	DM229.50

TOTAL VOLUME IN CONTRACTS 2728
A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	12 %	■ Guinness Mahon	12 %
Allied Irish Bank	12 %	■ Hambros Bank	12 %
American Express Bk.	12 %	Heritable & Gen. Trust	12 %
Amro Bank	12 %	■ Hill Samuel	§12 %
Henry Ansbacher	12 %	C. Hoare & Co.	†12 %
AP Bank Ltd.	12 %	Hongkong & Shanghai	12 %
■ Arbuthnot Latham	12 %	Knowsley & Co. Ltd.	12½%
Associates Cap. Corp.	12 %	Langris Trust Ltd.	12 %
Banco de Bilbao	12 %	Lloyds Bank	12 %
BCCI	12 %	Mallinhall Limited	12 %
Bank of Cyprus	12 %	Edward Manson & Co.	13 %
Bank of N.S.W.	12 %	Midland Bank	12 %
Banque Belge Ltd.	12 %	■ Samuel Montagu	12 %
Banque du Rhone et de la Tamise S.A.	12½%	■ Morgan Grenfell	12 %
Barclays Bank	12 %	National Westminster	12 %
Beneficial Trust Ltd.	13 %	Norwich General Trust	12 %
Bremar Holdings Ltd.	13 %	P. S. Refson & Co.	12 %
Bristol & West Invests.	13 %	Ryl. Bk. Canada (Ldn.)	12 %
Brit. Bank of Mid. East	12 %	Slavenburg's Bank	12 %
■ Brown Shipley	12½%	E. S. Schwab	13 %
Canada Perm't Trust	13 %	Standard Chartered	‖12 %
Cayzer Ltd.	12 %	Trade Dev. Bank	12 %
Cedar Holdings	12 %	Trustee Savings Bank	12 %
■ Charterhouse Japhet	12 %	TCB Ltd.	12 %
Choulartons	12 %	United Bank of Kuwait	12 %
C. E. Coates	12 %	Whiteaway Laidlaw	12½%
Consolidated Credits	12 %	Williams & Glyn's	12 %
Co-operative Bank	*12 %	Wintrust Secs. Ltd.	12 %
Corinthian Secs.	12 %	Yorkshire Bank	12 %
The Cyprus Popular Bk.	12 %		
Duncan Lawrie	12 %		
Eagil Trust	12 %		
E. T. Trust Limited	12 %		
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
Robert Fraser	12 %		
Antony Gibbs	12 %		
Grindlays Bank	‡12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.
† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 10% and over £50,000 11%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 9½%.
‖ 21-day deposits over £1,000 10½%.

Chairman of Graig Shipping says prospects remain 'poor'

Mr Desmond Williams, chairman of the **Graig Shipping Company**, says in his annual statement that the freight market has continued to decline and that the prospects at the moment are not very good.

The company has only one 24,000 dwt vessel on time charter, on which it is making a slight loss but it expects to redeliver her next November.

However, as reported, the satisfactory sale of m/v Garthnewydd last February was negotiated, and resulted in a profit of £5.67m.

On the company's oil interests in Southern England, Mr. Williams says that a further exploration licence has been acquired for an area near Marlborough, Wilts. The well drilled at Yarnbury at the end of last year proved to be dry.

A special resolution to the meeting will seek to change the way in which directors are remunerated as the present system is related to commissions earned in managing ships and the company only has one at present.

Mr Williams says the company is now in a strong, sound financial position and ready to take advantage of suitable investment opportunities as and when they arise.

Shareholders' funds as at March 31 1981 were £8.73m compared with £7.65m, fixed assets £7.7m (£6.52m), net current assets £974,524 (£395,287) and net increase in working capital £614,951 (decrease £4,519).

Meeting, Cardiff, September 11.

Wm Jacks slips £43,414 and misses interim payout

IN THE half year to June 30 1981 taxable profits of **William Jacks** slipped from £195,199 to £151,785, on turnover marginally ahead at £7.58m compared with £7.47m.

The interim dividend is again being missed by this overseas trader, motor car distributor and retailer. Last year a single payout of 0.5p net per 25p share was made. Earnings per share are stated at 1.53p (1.73p).

Tax for the six months took £68,000 (£100,638).

The directors say they had high hopes of increased business and quicker remittances outstanding from the group's Zambia operation when a sizeable loan was negotiated to that country with the International Monetary Fund in May 1981.

So far there has been no significant reduction in the number of stacked bills to cover import payments, various remittances and dividends since the loan was negotiated and the group is still awaiting the remittance of dividends declared for 1979 and 1980.

In view of the provision made in the annual accounts for 1980 and the delay in the receipt of these dividends the directors have decided not to recommend an interim dividend.

Manufacturing activities are still exapnding and trading profitably with good reserves of raw materials. During the past three or four months the issue of import licences for the group's trading activities has been severely reduced.

On the evidence currently available, the group will maintain its position in manufacturing, but will not achieve the same turnover and profitability on imported goods as it enjoyed last year, the directors say.

Mr L. L. Cooper, the chairman, says the motor division has maintained sales to its numerous customers but is still facing competition from distress selling both by manufacturers and distributors. It is unlikely that its activities will be on the same level of deterioration as experienced in the second half of 1980, he adds.

Gearing in the finance division still affects profitability. The company made adequate provision in the 1980 accounts for probable bad debts and currently this activity is breaking even.

The figures have not been adjusted for gains or losses involved in sterling translation, which would show an exchange gain of £67,600 at the end of June.

The ultimate holding company of William Jacks is Jacks International of Singapore.

Kennedy Brookes profit to top £0.2m

THE DIRECTORS of Kennedy Brookes are forecasting that turnover for the current year ending October 31 1981 will exceed £2.25m, against £1.3m previously, and pre-tax profits are expected to rise from £128,795 last time to over £200,000. The company, which has catering interests, is quoted on the unlisted securities market.

Profit margins have not been maintained, reflecting increases in rates, National Insurance surcharge and exceptional "start-up" costs in six new establishments this year, the directors state. But although the start-up costs of the establishments have been somewhat higher than anticipated, they are now all beginning to show a useful contribution.

When these outlets are included for the whole year in 1981-82, the directors consider that turnover will exceed £5m per annum, and they would hope to return to more normal profit margins as the economy improves.

It is proposed that the total dividend for the current year should be 1.5p, payable as to an interim of 0.5p and a 1p final. This compares with a total of 1p for 1979-80.

The company's outside catering division will shortly be opening a new base in central London. This is necessary to cope with rapidly expanding demand and also to create additional capacity for the Witney-based operation.

The directors are also currently negotiating to buy a further restaurant in Covent Garden, an area which is becoming increasingly popular.

LONDON TRADED OPTIONS

August 21, Total Contracts 1286. Calls 1156. Puts 130.

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	300	30	5	43	25	54	10	326p
BP (c)	320	18	5	30	14	—	—	"
BP (c)	350	8	9	17	—	—	—	"
BP (c)	410	2	—	4	3	—	—	"
BP (p)	300	6	—	12	20	17	—	"
CU (c)	180	8	6	13	—	16	—	165p
Cons. Gld (c)	500	50	23	67	15	77	—	526p
Cons. Gld (c)	550	18	3	40	11	50	6	"
GEC (c)	700	107	28	152	—	157	—	782p
Gr'd Met. (c)	160	47	8	—	—	—	—	204p
Gr'd Met. (c)	180	27	32	39	5	—	—	"
Gr'd Met. (c)	200	14	130	25	192	30	—	"
Gr'd Met. (c)	220	5	67	15	30	17	65	"
Gr'd Met. (p)	200	10	4	14	—	16	—	"
Gr'd Met. (p)	220	21	11	24	40	25	25	"
ICI (c)	260	28	15	42	—	52	—	262p
ICI (c)	280	13	2	28	1	35	—	"
ICI (c)	300	5	10	16	3	22	—	"
ICI (c)	330	1½	—	7	5	—	—	"
Land Sec. (c)	335	17	2	27	—	—	—	337p
Mks & Sp (c)	120	20	40	25	—	30	—	134p
Mks & Sp (c)	130	12½	4	17	40	22	—	"
Mks & Sp (c)	140	5	23	9	16	16½	12	"
Shell (c)	390	24	2	40	—	50	—	402p
Shell (c)	420	14	—	24	4	34	—	"
		August		November		February		
Barclays (c)	420	42	1	55	—	72	—	461p
Barclays (c)	500	—	—	13	—	25	4	"
Imperial (c)	60	3	50	5	—	8	18	65p
Imperial (c)	80	¼	40	¾	—	1½	—	"
Lasmo (c)	600	24	11	67	—	94	7	612p
Lasmo (c)	650	8	6	36	3	57	—	"
Lonrho (c)	90	1	—	5	5	9	4	90p
Lonrho (c)	100	½	—	2	—	4½	5	"
Lonrho (p)	90	1	10	7	—	8	—	"
Lonrho (p)	100	11	—	15	9	17	—	"
P & O (c)	120	3	5	10	—	14½	—	120p
P & O (c)	130	½	—	5	40	9	—	"
Racal (c)	420	50	9	75	—	90	—	465p
Racal (c)	460	12	20	40	19	60	—	"
Racal (c)	500	—	—	20	15	38	—	"
Racal (p)	460	6	—	35	1	28	—	"
Racal (p)	500	—	—	45	10	50	—	"
RTZ (c)	460	134	2	145	—	187	—	594p
RTZ (c)	500	94	1	113	—	152	2	"
RTZ (c)	550	44	20	74	—	112	—	"
RTZ (c)	600	13	8	49	6	87	1	"

C=Call P=Put

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128.2 (+0.5)
at close of business 21/8/81
BASE DATE 15/11/80 100
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CORAL INDEX
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SPAIN

August 21	Price %	+ or −
Banco Bilbao	289	+3
Banco Central	391	
Banco Exterior	432	
Banco Hispano	328	+3
Banco Ind. Cat.	121	
Banco Santander	410	+2
Banco Urquijo	238	
Banco Vizcaya	289	+3
Banco Zaragoza	250	+4
Dragados	213	
Espanola Zinc	81	+1
Fecsa	72	−0.5
Gal Preciados	58	+2
Hidrola	84.5	+1.0
Iberduero	53.5	+1.5
Petroleos	125	+1
Petroliber	85	
Sogefisa	54	
Telefonica	85	−2.2
Union Elect.	79.7	−4.3

APPOINTMENTS

Tecalemit divisional chairman

Mr **Richard Cox** has been appointed divisional executive chairman of the garage equipment division of TECALEMIT, succeeding the late Mr Ray Scanes. Mr Cox has also been appointed president directeur general of Pogautolube SA, Nyennes, France, a group member.

★

Mr **Roger P. Van Driesen** has been appointed a vice-president of C-E LUMMUS, a subsidiary of Combustion Engineering.

★

Mr **Peter Hassell** has been appointed a divisional director of the ALLAN WILLETT group of Slough. He was previously with British Printing Corporation.

★

Mr **Hugh Davies** has been appointed marketing director of PICCADILLY LEISURE SALES.

★

Mrs **Janet Gilkes** and Mrs **Pamela Robertson** have been appointed joint managing directors of KRAUSHAR AND EASSIE, UK market development consultants.

★

Mr **Peter Heritage** has been appointed managing director of WALTER LAWRENCE AND SON. He joined the company in 1976 as contracts director. Mr **Ken Hill** is chairman and chief executive.

★

Mr **Eddie Boss** has been appointed managing director of STEPHENS AND CARTER, Brentford.

★

Mr **Pat Summerley** has been appointed northern director of PLASTIC COATINGS, part of Plascoat International and a member of Imperial Group.

★

Mr **Douglas Power** has been appointed chief mechanical and electrical engineer, London Midland region, BRITISH RAIL, succeeding Mr **Fred Clements**, who is retiring. Mr Power was previously the chief mechanical and electrical engineer, Western Region.

★

Mr **Anthony W. Thompson** has been appointed to the board of VAN CUTSEM AND ASSOCIATES.

★

Mr **J. A. Paget-Brown** has been appointed joint managing director of ROLA CELESTION, a subsidiary of Celestion Industries.

★

BANK OF AMERICA states that Mr **Richard L. Saalfeld**, senior vice-president and manager of London branch has assumed additional overall responsibility for the bank's branches in the UK and Ireland, BankAmerica Finance and Scandinavian regional office. The following vice-presidents have been appointed branch managers: Mr **Craig McAllister** (Manchester), Mr **Fred Strickland** (Edinburgh), Mr **Raymond Unamun** (Dublin) and Mr **Knut Dale** (Copenhagen). Mr **Peter Gamblin**, vice-president, has become managing director, BankAmerica Finance.

★

Professor Brian Hogan, Professor of Common Law, will be Pro-Vice-Chancellor of LEEDS UNIVERSITY for two years from September 1. He succeeds **Professor Michael Barrett**.

★

Lord Justice Brandon has been appointed a Lord of Appeal in Ordinary in succession to Lord **Edmund-Davies** who will be retiring at the end of September. Mr Justice Kerr will become a Lord Justice of Appeal in the place of Lord Justice Brandon. **Mr Justice Ralph Gibson** will succeed Mr Justice Kerr as chairman of the Law Commission.

★

Mr **T. H. Little** has been appointed managing director of GEECO PRODUCTS, a subsidiary of McKechnie Brothers, following a decision by Mr **R. S. Hillyard** to relinquish that position to pursue his own business interests. Mr Little has been with Geeco for a number of years as works/technical director.

★

Mr **J. C. Hallworth** is to enter into partnership with GRIFFITHS AND LAMB, stockbrokers, on August 28.

★

Mr **Peter Foley** has joined the board of ARMCO FINANCIAL SERVICES EUROPE and will be responsible for the overall underwriting policy of the division which encompasses Armco's insurance activities worldwide outside the US. He was previously executive vice president for INA Special Risk Facilities Inc. in New York.

★

Mr **Geoffrey C. B. Harrison** has been appointed manufacturing director of JAMES HALSTEAD, the flooring company of James Halstead (Holdings). He was previously with the fibres division of ICI.

★

Mr **Richard Archer** is joining DUN AND BRADSTREET on September 14 and will become managing director from December 1. He will report to Mr **Michael Bardsley**, the present managing director, who becomes a vice-president of Dun and Bradstreet International with responsibility for operations in the UK, Eire, Belgium, Holland and Scandinavia. Mr Archer was previously with the Lex Group.

★

Mr **Terence J. Slater**, who was company secretary of TERN-CONSULATE, has resigned from the board to take up another appointment.

★

Mr **John P. Vaughey** has been elected assistant treasurer of DART AND KRAFT, Illinois.

★

Mr **Charles M. Berger**, president of Weight Watchers International, New York, has been named chief executive officer of that organisation, succeeding Mr **Albert Lippert**, who remains chairman of the board of directors and a member of the board of H. J. Heinz Company, of which Weight Watchers is a subsidiary.

Wall St drifts lower: off 4

PRICES DRIFTED lower in light trading on Wall Street yesterday, when investors moved to the sidelines ahead of the Money Supply figures to be released after the close.

By 1 pm the Dow Jones Industrial Average was off 4.66 to 923.71, making a loss of 13.22 on the week, while the NYSE All Common Index, at $75.45, shed 43 cents on the day and $1.55 on the week. Declines led advances by a two-to-one majority in a volume of 27.58m (27.79m) shares.

Analysts said the market's lacklustre performance of the past three days reflects investors' caution in the face of recent conflicting economic indicators, such as strong Retail Sales gains and the downward revision in the Gross National Product.

The Opec Ministers completed their meeting in Geneva without agreeing on a unified price structure, causing Oils to give up the price gains they achieved prior to the meeting.

Exxon lost $¾ to $34¾, **Mobil** $¾ to $30⅞, **Texaco** $¼ to $38⅜, **Shell** $1 to $45⅞, **Standard Indiana** $1 to $60⅞ and **Atlantic Richfield** $1⅞ to $51¼.

Pan Am gained $⅛ to $3¼ in active trading—it agreed to sell its *Intercontinental Hotels* to Grand Metropolitan for $500m.

Arlen Realty, the most active issue, held unchanged at $1¾.

Other active issues included **Johnson and Johnson**, off $1¼ to $31, **Superior Oil** off $¼ to $30¼ and **Sony** off $¼ to $20¼.

Norris Industries moved up $3⅞ to $39⅞—it accepted a takeover bid of $43.05 a share.

Northgate **Exploration** declined $⅜ to $8⅞ after agreeing to buy **Patino Mining**.

Ludlow gave way $1⅞ to $26⅛ after **Bairnco** said it would drop its takeover bid for the company due to a competing offer by **Tyco Labs**.

MGM Film eased $¼ to $8⅞ in active trading—it offered 5m shares yesterday.

THE AMERICAN SE Market Value Index dipped 2.70 to 365.84, making a fall of 12.25 on the week. Volume 3.15m (3.04m) shares.

Closing prices for North America were not available for this edition.

Canada

Stock prices were off at mid-session yesterday with the Toronto Composite Index down 4.1 to 2,258.0.

The Oil and Gas Index lost 35.7 to 4853.3, Golds 53.3 to 4225.8 and Utilities 1.49 to 259.40. But Metals and Minerals put on 13.7 to 2247.0.

Switzerland

Domestic shares held generally steady in continued moderately active trading, in response to stable Eurofranc rates and an easier dollar.

Banks edged higher and Financials were generally up. Insurances were easier.

Unofficially traded **Chemie Holding** were off its best of the day, and **Interdiscount** continued firmer on further consideration of its higher results and proposed dividend rise.

Domestic and Foreign Bonds fluctuated narrowly. The new Unilever 6.75 per cent Bond held steady at its par issue price on light support by major Banks.

The new **Cantonal Bank of Fribourg** 6 per cent Bond priced at par, slipped to 99 per cent *on its first day of trade.*

In the Foreign sector, Dollar stocks traded narrowly mixed. Germans eased over a broad front.

Tokyo

Share prices closed higher on persistent selective buying in some Blue Chips and Populars, and also moderate Foreign buying in Communications. Volume 300m (350m) shares.

Robot-related issues continued to be bought well, while recently neglected Steels firmed.

Pharmaceuticals and some Machine Tools eased on profit-taking.

Reports that Minister of International Trade and Industry, Rokusuke Tanaka, said Japan's 13 Oil Distributors were too many, sent Oils broadly lower, as the market began wondering which concerns would survive a shakeout, or forced mergers. But **Nippon Oil**, the distributor with the largest domestic market share, rose Y11 to 891 against the trend.

Australia

Stock markets suffered their first major reverse in more than two weeks as resource stocks came under pressure from poor profit results, a downturn in the Gold price and lack of decisive news from the Opec meeting in Geneva.

Bridge Oil dropped 30 cents to A$6.10, **Basin** 20 cents to A$2.40 and **Crusader** 20 cents to A$7.20.

Industrials were steady to slightly easier.

In Golds, **Kitchener** lost 10 cents to A$3.30, **GMK** also 10 cents to A$7 and **Central Norseman** 6 cents to A$7.44.

Trustees Executors rose A$1 to A$11 on the basis of one-for-two bonus, and takeover target **Ralph McKay** advanced 40 cents to A$3.

With a predicted rise in tax on cigarettes, beer and wines failing to emerge in the Federal Budget, **Rothmans** rose 25 cents to A$4.35, **Philip Morris** 10 cents to A$3.60 and **Cub** 15 cents to A$2.30.

Germany

Easier in light trading.

Preussag were off DM 1.30 at at 222, after DM 217 in the wake of rumours of a major share transaction by its largest shareholder **Westdeutsche Landesbank**—the share price tumbled from Thursday's peak when rumours arose that the deal had *already been completed.* A subsequent denial by **West LB** had little direct impact.

AEG rose DM 0.80 to 54.70 on possible new connections with the unquoted **Bosch**, **SEL**, which had been rumoured as a partner for **AEG**, fell DM 10.70 to 287.70 as the **AEG-Bosch** link-up took centre stage.

In Bond trading, prices were barely maintained. Bundesbank sold DM 2.7m of Public Sector Domestic Bonds.

Mark-denominated Eurobonds were steady in light trading.

Paris

Share prices firmed in active trading at the end of the monthly Account.

Shares of companies in line for Nationalisation led the rise as the French Government works on its proposals for taking them over, although decisions are not expected before next month.

In firm Banks, **Paribas** rose *FFr 10.3 to 177.5*, while **CCF** put on FFr 6 to 120.

In firm Oils, **CFP** hardened to FFr 115.5 after reporting higher first half year Oil activity turnover. **BP** advanced FFr 3.5 to 59.5.

Hong Kong

Steady in generally slack trading. Some noted a *flurry of* buying towards the finish.

Hang Seng Bank closed unchanged at HK$142, with news of greatly improved interim results coming after trading ended. **HK Bank**, whose interim results are due next week, gained 10 cents to HK$17.

Shaw Bros. further advanced HK$1.30 to HK$26 on continuing *speculation surrounding redevelopment plans.*

In the news were a large Property company going public and an earnings report. The **Lee Hysan Estates**, controlled by the wealthy Lee family, will sell 500m shares, or just under 13 per cent of the equity. The new company, which will hold substantial rent-producing properties, *is to be called* **Hysan Development.**

Trafalgar Housing rose 5 cents to HK$6.25 on net earnings for the fiscal year ended March 31 of HK$146.8m, nearly a 200 per cent increase over the previous year's HK$50m.

Indices

NEW YORK —DOW JONES

	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 14	Aug. 13	1981 High	1981 Low	Since Cm'pil't' High	Since Cm'pil't' Low
●Indu str'ls	928.37	926.46	924.67	926.75	936.95	944.35	1024.05 (27/4)	924.37 (18/8)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	59.05	59.13	58.48	58.76	58.70	59.62	65.78 (16/1)	58.37 (7/5)	—	—
Transport	399.24	399.44	399.51	405.75	408.67	409.74	447.38 (16/4)	379.78 (20/2)	447.38 (16/4/81)	12.23 (9/7/32)
Utilities	113.21	113.51	113.06	113.65	114.67	114.54	117.61 (5/1)	106.99 (5/5)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000-†	38,270	39,390	47,270	40,940	42,680	42,460	—	—	—	—

●Day's high 935.51. low 923.52.

Ind. div. yield %	Aug. 14	Aug. 7	July 31	Year ago (approx)
	5.90	5.85	5.74	5.53

STANDARD AND POORS

	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 14	Aug. 13	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	147.17	146.89	146.44	147.62	149.06	150.29	157.02 (6/1)	145.20 (22/7)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	*130.69*	*130.45*	*130.11*	*131.22*	*132.49*	*133.51*	*138.12* (6/1)	*126.58* (20/2)	*140.52* (28/11/80)	*4.40* (1/6/32)

	Aug. 19	Aug. 12	Aug. 5	Year ago (approx)
Ind. div. yield %	4.85	4.75	4.76	4.72
Ind. P/E Ratio	9.33	9.64	9.62	8.56
Long Gov. Bond yield	13.67	13.51	13.91	11.10

N Y.S.E. ALL COMMON

Aug. 20	Aug. 19	Aug. 18	Aug. 17	1981 High	1981 Low
75.88	75.73	75.55	76.28	79.14 (6/1)	72.45 (20/2)

Rises and Falls

	Aug. 20	Aug. 19	Aug. 18
Issues Traded	1,877	1,881	1,890
Rises	771	728	370
Falls	643	711	1,166
Unchanged	463	442	354
New Highs	16	11	7
New Lows	53	41	72

MONTREAL

	Aug. 20	Aug. 19	Aug. 18	Aug. 17	1981 High	1981 Low
Industrials	(u)	397.87	398.75	402.94	409.58 (27/5)	356.26 (20/2)
Combined	(u)	364.25	365.31	370.16	376.28 (18/3)	339.34 (20/2)
TORONTO Composite	2262.1	2266.1	2276.2	2286.5	2378.8 (10/4)	2151.4 (20/2)

	Aug. 21	Aug. 20	Aug. 19	Aug. 18	1981 High	1981 Low
AUSTRALIA						
All Ord. (1/1/80)	645.0	655.5	656.4	656.5	727.3 (6/4)	625.0 (5/8)
Metal & Minrls (1/1/80)	553.5	550.0	553.6	554.5	756.2 (7/1)	508.4 (5/8)
AUSTRIA						
Credit Aktien (2/1/62)	54.0	57.40	57.45	57.64	66.45 (5/1)	54.0 (21/8)
BELGIUM						
Belgian SE (31/12/63)	75.0	74.67	74.72	74.95	86.15 (17/2)	69.53 (18/6)
DENMARK						
Copenhagen SE (1/1/73)	117.9	118.07	118.26	118.80	118.80 (18/8)	95.63 (2/1)
FRANCE						
CAC General (29/12/61)	92.1	91.0	91.5	92.7	119.5 (17/3)	77.5 (15/6)
Ind Tendance (31/12/80)	96.7	95.1	95.9	96.7	106.8 (15/3)	79.2 (12/6)
GERMANY						
FAZ-Aktien (31/12/58)	240.4	241.33	241.93	240.47	243.47 (3/7)	215.88 (8/2)
Commerzbank (Dec 1953)	735.5	737.5	737.2	733.1	749.0 (6/7)	666.4 (16/2)
HOLLAND						
ANP-CBS General (1970)	96.3	96.8	95.1	95.5	98.8 (20/6)	86.7 (2/1)
ANP-CBS Indust (1970)	73.7	73.4	72.9	72.9	76.4 (22/6)	62.8 (2/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1715.6	1705.72	1728.71	1708.54	1810.20 (17/7)	1295.44 (11/5)
ITALY						
Banca Comm Ital (1972)	231.3	229.39	232.23	228.13	292.05 (5/6)	168.44 (24/7)
Japan						
Dow Average (16/5/49)	7995.25	7972.86	7961.52	7949.38	8019.14 (17/8)	6955.52 (18/3)
Tokyo New SE (4/1/68)	602.15	602.07	602.47	599.12	605.92 (17/8)	495.79 (5/1)
NORWAY						
Oslow SE (1/1/72)	141.7	142.43	140.95	140.84	145.72 (6/8)	110.34 (5/6)
SINGAPORE						
Straits Times (1966)	724.57	716.79	704.31	727.97	976.26 (26/6)	659.51 (2/1)
SOUTH AFRICA						
Gold (1958)	—	616.3	657.4	616.1	797.6 (7/1)	478.5 (6/7)
Industrial (1958)	—	654.4	652.6	651.0	654.4 (20/3)	557.2 (5/2)
SPAIN						
Madrid SE (30/12/80)	144.8	146.43	142.20	141.44	144.6 (21/6)	100.46 (2/1)
SWEDEN						
Jacobson & P. (1/1/58)	633.7	631.75	617.45	607.66	660.51 (10/8)	404.17 (20/1)
SWITZERLAND						
SwissBankCpn. (31/12/58)	267.8	287.4	286.4	286.0	304.2 (2/4)	279.8 (27/5)
WORLD						
Capital Intl. (1/1/70)	—	154.2	155.3	153.8	162.8 (6/1)	143.0 (25/7)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Pan-Am Air	1,055,200	2½	−⅛	Superior Oil	465,900	40¾	−2½
Texaco	948,400	32⅝	+⅛	IBM	428,200	57⅛	−¼
Cities Service	712,200	65⅝	+2⅞	Am. Tel & Tel	353,900	57¼	−¼
Comwlth Edison	536,200	20½	+⅛	G. D. Searle	344,100	33⅝	+½
Consumr Pwr.	529,700	17⅞	−⅛	Mobil	315,700	30¾	+⅛

Nestle in Australian sweets deal

By Our Sydney Correspondent

LIFESAVERS (AUSTRALIA) the chocolate and confectionery group yesterday announced a plan to strengthen its defences against takeovers and allows scope for expansion of its existing operations.

Lifesavers will issue the local subsidiary of Nestle of Switzerland 906,540 shares at A$3 each as well as A$3m (U.S.$3.4m) cash in exchange for Nestle's local confectionery plant and equipment.

The issue gives Nestle a 9 per cent take in Lifesavers—a valuable barrier against a takeover at a time when talk of intensified rationalisation within the food industry is rife. ...

Increased trading in the shares of Lifesavers, which total 99.9m fully-paid 50 cent shares, accompanied by an upward trend in share price has led the company to be singled out as a member of the industry most likely to face takeover.

As part of the deal Nestle has given an undertaking that it will not lift its holding unless prior approval is received from Lifesavers.

In the event of a bid a company of Nestle's financial calibre could well come to its defence and lift its shareholding to the maximum 15 per cent allowed under Foreign Investment Review Board guidelines.

Lifesavers said yesterday that from September 1 it will progressively takeover the manufacture and marketing of Nestle chocolate and confectionery products under existing trade marks and brand names. This will be accomplished through long-term licensing.

Following the sale, Nestle's remains a major force in the Australian food industry manufacturing and marketing a wide range of products.

CBC increases profits and steps up dividend

BY GEORGE MARSHALL IN SYDNEY

THE FEDERAL Government's move to deregulate Australian interest rates has helped boost second half earnings at the Commercial Banking Company of Sydney which yesterday reported a gain of 27 per cent in profits for the year ended June 1981.

The bank, in its final year as a separate entity prior to the merger with the National Bank of Australia, has increased earnings to A$43.8m (US$49m) from A$34.5m. The dividend is going up to 22 cents a share from 19 cents.

The group will also pay a further 5.5 per cent a share dividend for the period up to the merger date, expected to be October 1.

June half-year earnings rose 40 per cent from A$18.m to A$25.2m. Mr Victor Martin, CBC managing director, said the bank's second half was traditionally stronger as corporate borrowers increased their use of lending facilities to carry themselves through the tax payment season.

The year's performance was also helped by a 62.2 per cent increase in the contribution from the finance arm, Commercial and General Acceptance.

Mr Martin said that while the National-CBC merger would lead to rationalisation of group actiivties, these would not be evident in the first year of the amalgamation. He added that the new group would also be expanding to areas where branch representation of both banks could be strengthened.

The year's result was struck after A$33.6m in tax payments and A$9.8m of depreciation. It did not include an extraordinary profit of A$1.49m mainly from property disposals, against A$0.3m previously.

Earnings per share climbed from 78.9 per cent to A$1, while the ratio of operating profit to gross income improves from 7.55 per cent to 7.71 per cent.

Because of a revaluation of assets, however, the bank's ratio of operating profit to capital, reserves and unappropriated profits fell from 17.5 per cent to 13.7 per cent. Net asset backing at the year-end stood at A$7.3 a share, compared to A$4.5.

Acquisitions boost Woolworths

BY OUR SYDNEY CORRESPONDENT

TWO RECENT acquisitions by Woolworths, the Australian retailing chain, unrelated to the U.S. company have contributed to a 19.94 per cent earnings improvement, to A$16.12m (U.S.$18.4m) in the six months to July 29, from A$13.44m in the first half of 1980-81.

Turnover rose 15.29 per cent, to A$1.22bn (U.S.$1.4bn), from A$1.06bn with a substantial contribution to this figure coming from the Dick Smith electronic retailing group which was acquired during the half. Pre-tax profit was up 18.04 per cent to A$29.51m.

The interim dividend is maintained at 4.5 cents a share, on earnings of 9.87 cents a share compared with 9.22 cents previously.

Industrial unrest and good weather prolonged into autumn held back the group's sales and profits to some extent.

Sir Eric McClintock, Woolworth's chairman, had foreshadowed at the group's annual general meeting last week that earnings would show the effects of poor autumn sales.

The latest result, from February to July deos not include the Christmas retail period. The group traditionally earns two-thirds of its annual profit during the present six months.

G. J. Coles, the market leader earlier this week reported a record A$64.5m profit and sales of A$3.24bn for the 12 months to July 26.

Mr Gray, echoing statements from Mr Bevan Bradbury, Coles' chief executive, said the decline in consumer confidence as a result of the industrial unrest had had dampening effects on retail industry results.

The group was liable for A$13.75m tax, but relief from investment allowances brought the total tax bill at A$12.68m. Pre-tax profit was up 18.04 per cent to A$29.51m. Depreciation expenses jumped from A$6.76m to A$8.59m.

Weak demand hits Union Steel

BY J. D. F. JONES IN JOHANNESBURG

UNION STEEL, the South African iron and steel manufacturer, with particular interests in special steels, suffered from poor market conditions in the six months to June 1981 and the management is pessimistic about near-term prospects. The operating surplus before tax and depreciation fell by 3.7 per cent to R11.62m ($12.3m) in the half year from R12.07m in the same period of 1980, and compared with R22.58m for the whole of last year.

An unfavourable product range, the management says, resulted in lower profit margins in the steel division, and was accompanied by a 9.6 per cent fall in shipments for the industry. Furthermore, demand for steel products is weakening, and it is expected that despatches of steel products and steel profits will in the nine months to September be less than those recorded in the first nine months of last year. The financial year end is being changed to September 30, this year, and the present accounting period will be for nine months.

Lower volume sales of castings resulted in a small first-half loss in these operations. The same was true of the agricultural implements manufacturing division even though turnover there increased.

Hang Seng lifts interim earnings by 30%

By Our Hong Kong Correspondent

HANG SENG BANK has revealed higher interim results and a dividend increase that sets the backdrop for next week's announcement of half-year profits from the Hongkong and Shanghai Banking Corporation.

The 61.02 per cent-owned subsidiary of the Hongkong and Shanghai Bank, and one of the biggest banks in Hong Kong in its own right, has increased net after-tax profits by 30 per cent to HK$227.42m (U.S.$38m) for the six months to June 30.

The interim dividend has been set at 60 cents per share, which after taking into account the one-for-two scrip issue made in April, represents a 38.5 increase on last year.

The unaudited profits are, as usual, after provisions and transfers to reserves, which in Hong Kong are undeclared. The results show growth comparable with that in the first half of 1980.

Pick'n Pay eyes restructure

By Our Johannesburg Correspondent

PICK'N PAY STORES, one of South Africa's largest food retailing chains, is considering setting up a company for itself. Details of the proposal have yet to be revealed. But for some months, the management says there has been concern over the possibility of Pick'n Pay being vulnerable to a takeover bid.

The retail chain has only 2.4m shares in issue which are currently priced on the Johannesburg stock exchange at R55 each, to give a capitalisation of R132m ($140m). About 30 per cent of the company's ordinary shares are owned by its chief executive, Mr Raymond Ackerman, and a further 10 per cent odd by other directors and staff. Union Acceptances, the merchant bankers, are handling the arrangements for Pick'n Pay.

In the year to February 28, Pick'n Pay's turnover rose to R745m from R555m. Pre-tax trading profits advanced to R26.2m from £18.1m.

Atlas Copco ahead on lower margins

BY WESTERLY CHRISTNER IN STOCKHOLM

ATLAS COPCO, the Swedish compressed air and hydraulic equipment manufacturer, reports a modest gain in pre-tax profits to SKr 266m ($50.6m) for the first half of this year, against SKr 232m. Sales advanced 13 per cent to SKr 3.4bn.

For 1981 as a whole, group turnover is estimated to rise to SKr 7.1bn from SKr 6.2bn in 1980. "The profit for this year is expected to increase to the same degree as sales, says Mr Tom Wachtmeister, managing director.

His forecast is in line with the indications made for profits in the first-quarter report. In 1980 earnings totalled SKr 442m.

Profit margins for the half-year eased to 7.7 per cent from 8 per cent in the same period in 1980. The strength of the dollar "substantially affected" the results, notably in the form of unrealised currency losses on long-term foreign borrowing.

Net currency exchange losses reached SKr 46m compared with SKr 25m in the six months last year.

Group order intake rose 16 per cent to SKr 3.7m. The volume of orders on hand during the six months were SKr 1.2bn.

About 92 per cent of group sales went to markets outside Sweden. For the first time in the company's history, over 50 per cent of sales went to markets outside Europe.

Second quarter downturn for U.S. store group

BY OUR FINANCIAL STAFF

CARTER HAWLEY HALE, a leading western U.S. department store chain, has reported a sharp setback in net earnings for the second quarter ended August 1. They fell 13.4 per cent to $7.1m or 24 cents a share, from $8.2m or 28 cents a year earlier.

The downturn, which goes against the trend of several other major retailers reporting recently, came despite a 13 per cent rise in sales to $616.8m from $545.4m.

This brought interim earnings to $13.3m on sales of $1.22bn against $14.2m on $1.1bn a year ago. The latest results were partially affected by some accounting changes.

Mr Philip Hawley president, said: "Although we expect high interest rates to keep earnings under pressure through the third quarter, we continue to anticipate significant earnings for the full year."

Wall Street had been expecting the company to lift profits this year to about $3 a share from the $2.11 a share of fiscal 1980-81 achieved on sales of $2.6bn. The company operates well over 100 stores.

Setback at Swiss engineer

BY JOHN WICKS IN ZURICH

ATELIERS des Charmilles, the Swiss engineering group, is chopping its dividend for the year ended March, 1981, following a decline in profits of more than two-fifths.

Bearer shareholders are to receive SwFr 25 a share, against SwFr 45 previously, and the payment on the Registered shares is going down from SwFr 9 to SwFr 5.

At the net level, profits have tumbled to SwFr 2.44m ($1.14m) from SwFr 4.19m. The current year, the company says, has started in "no more promising" fashion.

The company has been suffering from sluggish demand and growing competition. It recorded a slight decline in group turnover with sales dropping by 1.3 per cent to SwFr 214.4m ($98.9m), excluding sales of the newly acquired U.S. affiliate Energy Sciences.

At the same time contract production for the heating equipment company, Cuenod, is no longer included in the sales totals. Last year, Charmilles sold its 50 per cent stake in Cuenod to its German partner Kloeckner.

Willots resign from Christian Dior

By David White in Paris

TWO WILLOT brothers, whose family filed a bankruptcy petition two months ago for its troubled textile business, have resigned from the board of the best-known of their acquisitions, the Christian Dior fashion company.

The resignations of M Jean-Pierre Willot and M Antoine Willot means that they and their two brothers have lost their hold on the most coveted part of their business. They resigned in the presence of M Albert Chassagnon, who has been appointed by a commercial court in Lille to run the Willot textile and retail concern on an interim basis.

The move followed court charges against both men for alleged misuse of assets belonging to Christian Dior and to a store company under their control. It is seen as a bid to maintain the fashion house's image abroad, where it does 80 per cent of its business.

Christian Dior is 99.9 per cent owned by Boussac-Saint Freres the industrial subsidiary of Agache-Willot, the brothers' holding company. It was taken over in 1978 as part of the former business empire of M Marcel Boussac, who "discovered" Christian Dior shortly after the Second World War.

The two Willot brothers' board posts have been taken over by M Anatole Tembine, head of France's Industrial Development Institute, who is acting as assistant to M Chassagnon, and M Jacques Kosciusko-Morizet, a former French ambassador to the U.S. The U.S. is Christian Dior's biggest market, accounting for more than a third of turnover.

Christian Dior meanwhile announced that its turnover in the first half of this year was 41 per cent up on the same period of 1980 and that consolidated results were 17 per cent higher. Group sales last year were about FFr 2bn ($340m), mostly from licensing arrangements. The group has a subsidiary in London.

Rumours have persisted about the possible sale of Christian Dior. Rumoured buyers include the Moet-Hennessy drinks group, which already owns Dior perfumes, and a U.S. concern.

COMMODITIES/REVIEW OF THE WEEK

Tin market touches all-time high

BY OUR ECONOMICS STAFF

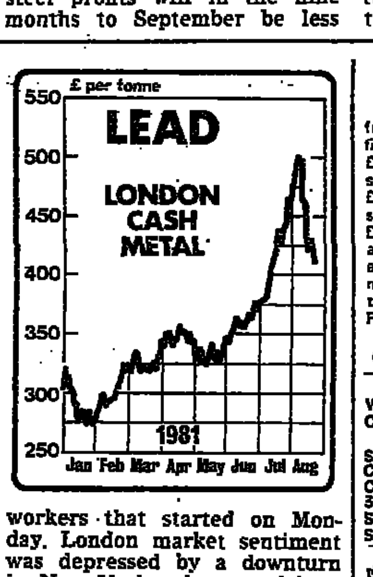
TIN PRICES touched record levels on the London Metal Exchange yesterday, with the three months quotation reaching a peak of £8,430, before closing at £8,205 a tonne, £354.5 up on a week ago.

Heavy buying by the influential dealers, who have been mainly responsible for pushing the market up in recent weeks, was again a feature both in London and Penang. The Straits tin price in Penang jumped from 33.40 ringgits per kilo on Monday to 35.21 ringgits on Friday, rising by 1.40 cents in the past two days and is now close to the International Tin Agreement "ceiling" level of 35.47 when the buffer stock of the Agreement is supposed to sell its existing holdings.

So far, in spite of sluggish consumer demand, buying by the influential dealers controlling the market at great expense has been sufficient to offset rumoured selling on a limited basis by the buffer stock.

But the prospect of breaching the Tin Agreement "ceiling" may halt the upward surge.

Other base metal markets were generally lower, mainly because of the rise in the value of sterling against the dollar this week. Copper cash wirebars ended the week £64.5 down at £957.5 a tonne, in spite of rising marginally yesterday on reports that Southern Peru was declaring foree majeure on blister copper shipments as a result of the indefinite strike by copper workers that started on Monday. London market sentiment was depressed by a downturn in New York values, anticipating a continuation of high interest rates and the decision by Asarco to cut its domestic copper selling by 1.5 cents to 87 cents a lb.



Big losses were recorded in the lead market, where the cash price lost £51 on the week to close last night at £410 a tonne.

Heavy selling by a French-based dealer started the decline, which was accelerated by settlement of the Amax strike in Missouri and Asarco lowering its U.S. lead price by 2 cents to 42 cents a lb. Yesterday Cominco of Canada cut its U.S. price by 4 cents to 42 cents a lb.

Little impact was made by news that Boliden of Sweden had suffered a similar production setback at its lead plant to the breakdown at the Avonmouth smelter in Bristol, which forced Broken Hill to declare force majeure on lead bullion shipments.

Australian Mining and Smelting (Europe), which runs the Avonmouth smelter, could give no starting up date for production, but has said it will continue to meet zinc delivery commitments out of stocks. Moves to settle the stoppage at the Tara lead/zinc mine in Ireland failed this week, and both Zambia and Pennaroya decided to follow the rise in the European zinc producer price from $925 to $1,000 a tonne. Nevertheless cash zinc, following the trend in copper and lead, closed the week £65.5 lower at £492.5 a tonne.

Expectations of a bumper European crop continued to depress sugar values and the January position on the London futures market ended the week £19.125 down at £187 a tonne, the lowest level for three months.

A new gloomy report on the extent of last month's frost damage to the Brazilian coffee crop brought surprisingly little market reaction. The U.S. Department of Agriculture, following an on-the-spot survey, estimated that around half of the 1982/83 crop in Sao Paulo state, which normally produces a third of Brazil's coffee, had been lost.

But the resulting modest price rise was quickl wiped out

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£760/70
Free Markets c.i.f.	$1255/1285	+25	$1810/840	$1500/1550	$1135/165
Antimony					
Free Market 99.6%	$2700/2820	—15	$3275/325	$3200/3260	$2700/820
Copper Cash Wire Bars	£957.5	—64.5	£845	£1,083.5	£785
3 months Do. Do.	£988.5	—64.25	£862	£1,052.75	£777.5
Cash Cathodes	£954	—67	£816.5	£1,025	£748.5
3 months Do.	£980	—64.5	£837	£1,046	£765.5
Gold per oz	$431	+17	$637.5	$601	$390
Lead Cash §	£410	—51	£364.5	£502	£273.75
3 months §	£415.25	—46	£377.5	£499.5	£285.25
Nickel	£4,087.3	—	£3,186.43	£4,087.3	£3,156
Free Market c.i.f. lb	275/295c	—	$290/315c	295/310c	276/285c
Platinum per oz	£260	—	£182.50	£260	£202
Free Market per oz	£233.20	—4.95	£278.50	£243.40	£185.50
Quicksilver (76lbs.)	$425/435	—3	$410/420	$428/438	$355/365
Silver per oz	507.90p	—7.75	685.95p	671.20p	428.50p
3 months per oz	525.15p	—7.00	710.70p	695.70p	441.20p
Tin cash	£8085	+350	£7,127.5	£8,085	£5,700
3 months	£8205	+354.5	£7,127.5	£8,205	£5,865.5
Tungsten Ind.	$145.43	+0.86	$144.74	$149.08	$140.56
Wolfram (22.04 lb)	$142/148	—1	$149/152	$151/155	$142/145
Zinc cash	£492.5	—55.5	£329.75	£553.5	£306.5
3 months	£509.25	—54	£340.25	£566.5	£318.25
Producers	$925/1000	—	$780	$925/1000	$823
GRAINS					
Barley Futures	£102.05x	+0.4	£93.35	£103.00	£94.40
Maize French	£125	—0.5	‡	£130.00	£119.75
WHEAT Futures	£108.65x	—0.05	‡	£121.10	£99.10
Hard Winter Wheat	£117.75w	—5.25	£97.30	£124	£102.0
SPICES					
Cloves (g)	£4,950v	—	£3,750	£4,950	£3,800
Pepper, white	$1,900v	—	$2,150	$2.150	$1,875
black	$1,350v	—	$1,600	$1 650	$1,225
OILS					
Coconut (Philipines)	$560v	—	$620	$640	$525
Groundnut 5%	‡	—	‡	‡	
Linseed, Crude	£448	—	£397	£460	£400
Palm Malayan	$532.50z	+2.5	$515	$645	$530
SEEDS					
Copra (Philipines)	$360	—	$485	$430	$350
Soyabeans (U.S.)	$287w	+2	$318	$340	$282
OTHER COMMODITIES					
Cocoa Shipment§	£1,223	—22	£1,058	£1,292	£850
Cocoa Futures Dec	£1,220.5	—22	£897.5	£1,291.5	£789.5
Coffee Futures Nov	978.5	—55	£1,176.5	£1,157.5	£733.5
Cotton Index	79.25c	—2.5	95.10c	101.15c	79.25c
Des Coconut	£680	—	£700	£680	£640
Gas Oil Fut. Sept	$303.75	+0.75	‡	$307.75	$268
Jute LJ ABW C grade	£245v	—	£187	£245	£219
Rubber kilo	60.p	—0.75	61.75p	65.25p	51.5p
Sago Pear	£232v	—	£205	£232	£197
Sisal No. L	$705	—	$885	$780	$705
Sugar (Raw)	£195vz	—	£324	£315	£168
Tapioca No. 1	£229v	—	£208	£329	£207
Tea (quality) kilo	120p	—5	145p	128p	117p
(plain) kilo	79p	—	68p	81p	59p
Wooltops, 64s Warp	393p kilo	—7	288p kilo	400p kilo	294p kilo

‡ Unquoted. (g) Madagascar. (w) Sept. (v) Aug/Sept. (x) Nov. (y) Sept/Oct. (z) Oct. * Nominal. § Ghana Cocoa.

BASE METALS

BASE-METAL PRICES tended to lose further ground owing to the renewed firmness of sterling. Copper touched £1,006 in early trading but failed to sustain that level before closing at £981, after £977. Lead was heavily sold and fell to £414 before closing at £416.5, while Zinc was finally £504.5, after £502. Aluminium closed at £692 and Nickel at £3,180. Tin jumped to a near record £8,430 in pre-market trading, owing to a sharp rise in Penang, but closed at £8,220.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	961-2	−1.25	957-8	+6
3 months	993-.5	−2	988-9	+4
Settlem't	962	−1	—	
Cathodes				
Cash	961-2	—	953-5	+2
3 months	986.5-7	−.75	979-81	+1.75
Settlem't	962	—	—	
U.S. Prod	—	—	*80-5	

Amalgamated Metal Trading reported that in the morning three months copper wirebars traded at £993, 94, 93, 93.5. Cathodes, cash £951, 61.5, three months £986.5. Kerb Wirebars, three months £993, 92, 91, 92, 93, 93.5, 93, 94. Afternoon: Wirebars, three months £994, 93, 94, 93.5, 93, 92.5, 92, 91, 91.5, 92, 91.5, 91, 90, 89.5, 90, 89, 88.5. Kerb: Wirebars, three months £987, 86, 85, 84, 83, 82, 81, 80, 79, 77, 79, 80, 81. Turnover: 22,350 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8080-90	−52.5	8080-90	−10
3 months	8180-90	−57.5	8200-10	−2.5
Settlem't	8090	−50	—	
Standard				
Cash	8080-90	−52.5	8080-90	−10
3 months	8180-90	−57.5	8200-10	−2.5
Settlem't	8090	−50	—	
Straits E.	$35.21	+0.70	—	
New York	—			

Tin—Morning: Standard, cash £8,100, 8,090, 95, three months £8,270, 40, 20, 8,200, 8,180, 50, 60, 80, 8,200, 20, 10, 20, 15, 10, 05, 8,200, 8,190. Kerb: Standard, three months £8,140. Afternoon: Standard, three months £8,190, 8,205, 8,200, 8,190, 8,200, 10. Kerb: Standard, three months £8,190, 8,200, 10. Turnover: 1,140 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	418.5	−3.5	409.5-10.5	−4
3 months	421-.5	−2.25	415-.5	−4.25
Settlem't	418.5	−3.5	—	
U.S. Spot	—		*41	

Lead—Morning: Cash £419, three months £418, 19, 20, 21, 22, 22.5, 22, 21, 21.5. Kerb: Three months £421, 20, 19, 18. Afternoon: Three months £419, 18.5, 18, 17, 16, 15, 15.5. Kerb: Mid-October £415, three months £415, 14, 14.5, 15, 14, 15. Turnover: 15,675 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	498-9	−7.5	492-3	−2
3 months	514-.5	−7.75	509-.5	−1.25
S'ment	499	−7.5	—	
Primw'ts	—		*46.5-9.75	

Zinc—Morning: Three months £514, 15, 14, 16, 15.5, 14, 14.5. Kerb: Three months £514. Afternoon: Three months £515, 14, 11, 10, 09, 8, 9, 7, 8, 8.5, 9, 10, 09. Kerb: Three months £507, 6, 5, 4, 3, 2, 3, 4. Turnover: 13,525 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficl'l	+ or —
	£	£	£	£
Spot	671.5-2.5	−11.5	670-1	−8
3 months	696.5-7	−12.7	695-6	−8.25

Aluminium—Morning: Three months £698, 96, 96.5. Kerb: Three months £696. Afternoon: Three months £697, 96.5, 96, 95, 94.5, 95.5. Kerb: Three months £694, 93.5, 93, 92, 91, 90, 91, 90. Turnover: 11,200 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficl'l	+ or —
Spot	3160-70	−82.5	3150-5	−52.5
3 months	3210-5	−86.5	3195-200	−57.5

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel—Morning: Three months £3,240, 35, 30, 20, 15, 10, 15. Kerb: Three months £3,210, 05, 3,200, 05, 3,200. Afternoon: Three months £3,225, 3,200, 3,190, 91. Kerb: Three months £3,190, 80. Turnover: 522 tonnes.

SILVER

Silver was fixed 4.75p an ounce lower for spot delivery in the London bullion market yesterday at 507.9p. U.S. equivalents of the fixing levels were: spot $9.4850, up 1.5c; three-month $9.8170, up 0.6c; six-month $10.237, up 0.5c; and 12-month $11.122, up 0.8c. The metal opened at 503-513p ($9.48-9.68) and closed at 511-516p ($9.55-9.65).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	507.90p	−4.75	516.0p	−5.5
3 months	525.15p	−5.0	532.5p	−4.25
6 months	542.30p	−4.95	—	
12months	576.50p	−4.95	—	

LME—Turnover 76 (same) lots of 10,000 ozs. Morning: Three months 527, 26, 25.5. Kerbs: three months 525. Afternoon: three months 528, 29, 29.5, 30, 31, 32. Kerbs: untraded.

COCOA

COCOA	Yes'rday's Close	+ —	Business Done
Sept	1186-88	−17.0	1203-190
Dec	1220-21	−16.0	1258-18
March	1233-34	−20.0	1254-35
May	1259-42	−21.0	1260-43
July	1246-47	−22.0	1264-46
Sept	1250-60	−22.0	1271-66
Dec	1260-70	−34.0	1260

Sales: 2,864 (3,117) lots of 10 tonnes.

ICCO—Daily price for Aug 20: 102.48 (101.81): Indicator price for Aug 21: 104.18 (101.56).

COFFEE

Continued nearby liquidation in New York futures prompted an easier tendency with early trade and commission house selling, reports Drexel Burnham Lambert. In the afternoon the market fell, encouraged near the close by the weaker tone in New York.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	982-84	−34.0	1005-81
Nov	977-80	−39.5	1008-76
Jan	977-80	−30.0	1005-77
March	965-87	−37.0	1008-82
May	992-98	−45.0	1017-92
July	1000-09	−33.0	1026-09
Sept	1005-25	−65.0	—

Sales: 5,804 (4,546) lots of 5 tonnes.

ICO indicator prices for August 20: (U.S. cents per pound): Comp. Daily 107.04 (109.71): 20-day average 112.54 (113.10).

GAS OIL FUTURES

Opec's failure to reach agreement pushed prices sharply lower after a quiet morning. The rapid fall, touching off stop-loss selling, was followed by a brief rally towards the close, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
August	301.00	+1.00	301.75-01.00
September	303.75	−0.75	305.00-02.00
October	306.25	−2.00	309.00-05.50
November	309.75	−2.25	312.09-09.00
December	312.00	−2.00	315.00-11.25
January	314.25	−2.25	318.50-14.50
February	317.50	−1.00	319.00-17.50
March	319.00	−1.50	321.00-20.00
April	323.00	−0.75	323.00-23.00

Turnover: 831 (657) lots of 100 tonnes.

POTATOES

LONDON POTATO FUTURES—After an easier opening, strong buying emerged. But values moved in a small range during afternoon, closing steady, reports Coley and Harper. Closing prices: Nov 83.30, +1.30 (high 84.50, low 81.00); Feb 104.60, −1.30 (high 105.50, low 102.00); April 120.00, +2.50 (high 120.50, low 116.00). Turnover: 371 (454) lots of 40 tonnes.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BRED—Close (in order: buyer, seller, business). New Zealand cents per kilo. Oct 398, 400, 399. Dec 402, 406, 405-401. Jan 405, 409, nil. March 414, 418, 419-415. May 424, 427, 425-425. Aug 433, 438, 435-434. Oct 438, 439, nil. Dec 438, 441, nil. Jan 439, 442, 441. Sales: 19.

GRAINS

Grains opened mixed. Trading in the morning was dominated by spreads on Sept-Nov June wheat and Sept-Jan barley, the afternoon on wheat/barley. Wheat saw profit-taking led by book-squaring on Sept. Acli reports.

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
Sep	104.85	−0.60	95.65	−0.10
Nov	108.65	−0.55	102.05	−0.15
Jan	112.65	−0.60	106.05	−0.10
Mar	116.45	−0.65	109.90	−0.10
May	120.00	−0.65	113.25	−0.05
July	123.70	−0.60	—	

Business done—Wheat: Sept 105.20-104.75, Nov 109.20-108.50, Jan 113.10-112.50, March 116.85-116.40, May 120.05-120.00, July no trades. Sales: 232 lots of 100 tonnes. Barley: Sept 95.85-95.60, Nov 102.15-101.80, Jan 106.05-105.95, March 109.90-109.85, May 113.25-113.05. Sales: 296 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Other milling, Wheat: N. East 101.20. Feed Barley: Eastern 95.50, E. Mids. 95.60, N. East 92.00, Scotland 95.70. The UK Monetary Coefficient for the week beginning Monday August 24 will remain unchanged.

SYDNEY GREASY WOOL—Close (in order, buyer, seller, business). Australian cents per kilo. Oct 499.1, 499.5, 499.1-497.9; Dec 503.5, 507.0, 507.0-505.5, March 517.0, 517.5, 517.0-516.5; May 524.0, 524.5, 524.5-524.0; July 532.0, 534.0, 532.0; Oct 529.0, 530.0, untraded; Dec 532.0, 534.0, untraded. Sales: 33.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2, 14 per cent: Aug/Sept 111.75, Oct 112.50 transhipment East Coast sellers. U.S. Hard Winter, 13½ per cent: Sept 117.75 transhipment East Coast sellers. English Feed fob: Dec 112.25 paid East Coast. Maize: French: Aug 125 transhipment East Coast. South African Yellow: Sept Oct 71.50. Barley: English Feed fob: Oct/Dec 106.60 quoted East Coast. Rest unquoted.

RUBBER

The London physical market opened about unchanged, with little interest throughout the day closing easier. Lewis and Peat reported a fob Sept price for No 1 RSS in Kuala Lumpur of 259.0 (258.0) cents a kg and SMR 20 209.5 (same).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Sept	61.10-62.50	61.10-62.00	—
Oct	61.70-62.00	61.60-62.50	62.60-62.40
Oct-Dec	62.00-62.40	62.40-62.50	63.60-62.00
Jan-Mar	65.00-65.10	65.60-65.70	66.50-65.10
Apl-Jne	68.20-68.30	68.80-68.90	69.50-68.20
Jly-Sept	71.20-71.40	71.90-72.00	71.50
Oct-Dec	74.40-74.60	75.00-75.20	75.70
Jan Mar	81.10-81.30	78.20-79.50	—
Apl-Jne	81.10-81.50	81.50-81.40	—

Sales: 257 (220) lots of 15 tonnes; 3 (nil) lots of 5 tonnes. Physical closing prices (buyers) were: Spot 60.00p (same); Sept 58.00p (59.00p); Oct 59.00 (60.00p).

SOYABEAN MEAL

The market opened slightly easier and moved lower on trade selling, reports T. G. Roddick. Prices continued under pressure due to long liquidation and stronger sterling.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
October	152.80-53.0	−2.45	154.60-52.70
December	152.80-52.9	−3.50	154.60-52.70
February	155.80-55.3	−3.65	158.50-55.70
April	156.50-58.5	−4.60	—
June	157.00-40.5	−4.35	—
August	158.00-42.0	−4.50	—

Sales: 148 (95) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £195.00 (£199.00) a tonne cif Aug-Sept-Oct shipments. White sugar daily price £197.00 (£202.00).

The market opened marginally lower but quietly recovered to settle into a narrow range. Sellers predominated later, reports C. Czarnikow.

No.4 Con-tract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Oct	188.55-88.70	197.05-97.50	189.00-88.95
Jan	186.00-85.00	194.00-94.50	191.50-90.00
March	190.30-90.50	197.55-97.70	196.50-90.00
May	194.00-94.25	201.40-01.65	201.75-94.00
Aug	196.25-96.50	205.25-05.70	203.60-96.25
Oct	201.00-05.00	208.50-09.00	204.50-06.00
Jan	201.00-04.00	202.50-05.70	205.00

Sales: 3,439 (12,306) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £300.4 (same) a tonne for home trade and £304.0 (£307.5) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 20: Daily price 14.41 (15.15); 15-day average 15.65 (15.90).

Grimsby Fish—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£5.00, codlings £3.00-£3.80; small haddock £3.40-£3.60; large plaice £3.50-£5.00, medium £4.20-£5.00, best small £3.60-£4.00; large skinned dogfish £14.00, medium £10.50-£11.00; large lemon soles £8.00, medium £7.00; Rockfish £3.00.

AMERICAN MARKETS

NEW YORK, August 21.

Precious metals rallied smartly on the recovery of currencies against the U.S. dollar. Copper was sharply lower after the market failed to react to the Peruvian force majeure. Coffee softened from technical selling and commission house selling in response to good deliveries. Cotton declined again on prospects of a larger crop. Grains and soyabeans collapsed initially following an optimistic Soviet crop report and recovered some of their losses on the close. Heating oil prices retreated broadly in response to the collapse of the Opec price negotiations, reported Heinold.

Copper—Aug 80.05 (81.70), Sept 80.10-80.60 (82.00), Oct 81.70, Dec 84.35-84.70, Jan 85.80, March 89.00-89.60, May 90.70, July 95.05, Sept 96.70, Dec 98.70, Jan 99.80, March 100.70, May 104.20.

*Gold—Aug 433.0 (438.5), Sept 434.9 (440.8), Oct 439.5-440.0, Dec 451.5-452.5, Feb 464.0, April 475.5, June 489.0, Aug 500.5-504.0, Oct 513.2, Dec 523.5, Feb 533.7, April 551.9, June 565.4.

*Platinum—(NY) Aug 436.0 (435.0), Sept nil (nil), Oct 441.5-447.0, Jan 461.0-462.0, April 479.0, July 493.0, Oct 509.0. Sales: 1,453.

Potatoes (round whites)—Nov 72.5-73.0 (72.3), Feb 82.0-83.5 (84.0), March 87.5, April 101.0-102.0. Sales: 389.

*Silver—Aug 950.2 (927.5), Sept 950.0-974.0 (959.0), Oct 979.5, Dec 1004.0-1010.0, Jan 1021.7, March 1046.5, 1077.0, May 1076.7, July 1102.2, Sept 1127.7, Dec 1172.7, Jan 1190.4, March 1212.5, May 1241.4.

Sugar—No. 11: Sept [illegible] (14.20), Oct 14.10-14.30 (14.45), Jan 14.12-14.20, March 14.60, May 14.95-14.98, July 15.15-15.20, Sept 15.50-15.55, Oct 15.60. Sales: 12,222.

Tin—680.00-705.00 (695.00-700.00).

CHICAGO, August 21.

Lard—Chicago loose 21.00 (same).

Live Cattle—Oct 65.07-65.15 (64.80), Dec 65.55-65.50 (65.35), Feb 64.95-64.55, April 64.60-64.75, June 65.40-65.70, Aug 65.10.

Live Hogs—Oct 51.70-51.60 (52.05), Dec 53.00-53.95 (53.85), Feb 54.00-54.15, April 51.90, June 54.05-54.15, July 54.35, Aug 53.30, Oct 52.00.

**Maize—Sept 304-305½ (310½), Dec 307-309½ (314½), March 329½-330½, May 332½-333, July 335½-335½, Sept 344-345.

Pork Bellies—Aug 59.52 (60.52), Feb 69.07 (69.72), March 69.27, May 69.90, July 70.55, Aug 70.65.

*Soyabeans—Sep 681-675 (698), Nov 689-692 (702), Jan 707½-709½, March 727½-728, May 745-745, July 759-759, Aug 759.

‖Soyabean Meal—Sept 194.2-194.5 (197.4), Oct 194.5-194.3 (197.9), Dec 199.0-199.9, Jan 202.0, March 209.0, May 212.5, July 216.0, Aug 218.5.

Soyabean Oil—Sept 21.00-21.00 (21.44), Oct 21.60-21.55 (21.83), Dec 22.40-22.30, Jan 22.80, March 23.70, May 24.35, July 24.25-24.30, Aug 25.10, Sept 25.20.

†Wheat—Sept 387½-397 (397½), Dec 427-429½ (427½), March 450½-450, May 452-452½, July 450, Sept 472½.

WINNIPEG, August 21.

§Barley—Oct 125.00 (129.00), Dec 125.50 (129.30), March 102.50, May 100.50.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ‡ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). §$Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. ‡‡ $ per metric ton.

Thursday's closing prices

‡‡Cocoa—Sept 1945 (1945), Dec 2109 (2109), March 2180, May 2259, July 2298, Sept 2324, Dec 2359. Sales: 2,818.

Coffee—"C" Contract: Sept 113.50-114.00 (117.82), Dec 113.30-112.60 (115.75), March 112.00-112.10, May 114.00, July 114.75, Sept 115.00-115.50, Dec 115.00-116.50. Sales: 3,004.

Cotton—No. 2: Oct 69.00-69.10 (67.81), Dec 68.75-69.79 (69.51), March 72.40, May 74.35, July 75.65, Oct 77.10, 77.40, Dec 77.70-77.80. Sales: 7,400.

Heating Oil (cents per U.S. gallon)—Sept 0.9542 (0.9560), Oct 0.9920 (0.9717), Nov 0.9952, Dec 1.0249, Jan 1.0159, Feb 1.0350, March 1.0400, April 1.0510, May 1.0520, June 1.0575, July 1.0725, Aug 1.0775, Sept 1.0975, Oct 1.1000. Turnover: 5,960.

Orange Juice—Sept 132.00-132.50 (134.15), Nov 128.00 (132.70), Jan 130.55-132.75, March 126.00-125.25, May 137.25-137.80, July 138.55-139.80, Sept 141.25-142.00, Nov 143.15-142.50. Sales: 700.

CHICAGO, August 20.

Chicago Imm Gold—Aug 427.5 (410.7), Sept 429.0-430.0 (433.3), Dec 445.7-449.0, March 464.0, June 480.0, Sept 507.0, Dec 522.0, March 541.0, June 550.5.

INDICES			
FINANCIAL TIMES			
Aug. 20	Aug. 19	Month ago	Year ago
264.02	266.27	274.75	278.81
(Base: July 1, 1952=100).			
MOODY'S			
Aug. 20	Aug. 19	Month ago	Year ago
1059.5	1065.0	1065.4	1244.9
(December 31 1931=100).			

DOW JONES				
Dow Jones	Aug. 20	Aug. 19	Month ago	Year ago
Spot	364.51	369.89	358.52	446.93
Fut'rs	372.93	381.00	396.17	455.55
(Average 1924-25-26=100)				

REUTERS			
Aug. 21	Aug. 20	M'nth ago	Year ago
1699.8	1711.2	1716.9	1732.5
(Base: September 18, 1931=100)			

VAT for China

CHINA plans to apply Value Added Tax to some of its industries to eliminate clumsy multiple taxation which is hindering specialisation, Peking Radio said yesterday, Reuter reports from Peking.

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those shares in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ⊕ Bargains done previous day. $A—$Australian: $B—$Bahamian: $C—$Canadian: $HK—$Hong Kong: $J—Jamaican: $Ma—$Malayan: $Me—$Mexican: $NZ—$New Zealand: $S—$Singapore: $US—$United States: $WI—$West Indian.

BANKS, DISCOUNT (387)

BREWERIES (296)

BUILDING SOCIETIES

COMMERCIAL (6,825)

A—B

C—D

E—F

Fashion General Invest. (5p) 265 (17/8)
Feb International (10p) 78 80. A Ord. 74 6
Feedex Agricultural Inds. (10p) 38
Fenner (J. H.) 165 6
Ferguson Industrial Hldgs. 80
Ferranti (50p) 587 90 2 5 7
Ferry Pickering (10p) 105 (19/8)
Fidelity Radio (10p) 47 9
Findlay Hardware Gp. 19 (18/8)
Fine Art Developments PLC (5p) 62 3 4
Finlan (John) (10p) 157 8 9 60
Finlay (James) 96 7 8 9 ½ 100 1. New 96 7 8
Finlay Packaging (5p) 22½ (19/8)
First Castle Electronics (10p) 116 7 9
Firth (G. M.) (Metals) (10p) 147 8
Fisher (Albert) Gp. (5p) 11 (18/8)

G—H

Hawkins and Tipson 19½ 20
Hawley Leisure 68½ 9 70
Hawtin (5p) 9¾ ¼
Haynes Publishing Grp (20p) 130 (19/8)
Hazlewood Foods (20p) 247
Headlam Sims and Coggins (5p) 39 (19/8)
Helene of London (10p) 22½. 12½pcPf (£1) 200 (17/8)
Henderson (P.C.) Group 148
Henlys (20p) 82

Henriques (Arthur) (10p) 20
Hepworth Ceramic Hldgs. 117½ 8 ½
Hepworth (J.) (10p) 100 2
Herman Smith (10p) 25 (17/8)
Heron Motor Group (27)
Herrburger Brooks 58 (14/8)
Hestair 44 6
Hewden-Stuart Plant (10p) 37
Hewitt (J.) (Fenton) 70
Heywoods Williams Grp. 25
Hicking, Pentecost (50p) 79 (19/8)
Hickson and Welch (Hldgs.) (50p) 185 7 (18/8)
Higgs and Hill 123
Highams 45
Highgate and Job Grp (50p) 33
Highland Electronics Grp. (20p) 27 8 9
Hill and Smith 52

I—J—K

L—M

Lancaster (D. M.) 22 3
Lane (Percy) (10p) 44. Do. New (f.pd.) 44 5. Do. (Nil pd.) 6 (18/8)
Laporte Inds. (50p) 123
Latham (James) 130 (17/8)
Lawrence (Walter) 150 (18/8)
Lawtex 45
Lead Inds. (50p) 166
Leadenhall Sterling 75 (17/8)
Leaderflush (10p) 30 2 (19/8)

N—O—P

Q—R—S

T—U—V

Unochrome Inds (10p) 23½ (17/8)
Upton (E.) and Sons A Non V. 40 (14/8)
Utico Hldgs (R1) 137 8 4½

Valor 58 61
Vantona Grp (20p) 123 4 5
Vectis Stone Grp (10p) 30 1 (14/8)
Vibroplant Hldgs 230 (19/8)
Vickers (£1) 173 4 5 6 7 8
Victor Products (Wallsend) 142 (19/8)
Victoria Carpet Hldgs 24 (17/8)
Vinten Grp (20p) 356 7 61 4
Vitatron NV (DFl0.25) 30 41 (19/8)
Vosper 150

FINANCIAL TRUSTS

Atlas Electric Gen. Tst. PLC 92
Bankers' Inv. Tst. PLC 78 (19/8)
Berry Tst. 201 (19/8)
Bishopsgate Tst. PLC 95 (19/8)
Border Southern Stkhldrs. Tst. (10p) 89
Bremar Tst. 62½ (14/8)
British American Gen. Tst. 52½ 3½
British Assets Tst. PLC 111½ 2½. Ln. (£1) 200 (19/8)
British Empire Sec. Gen. Tst. (5p) 15½ (19/8)
British Indust. Gen. Inv. Tst. Dfd. (18/8)
British Inv. Tst. 200
Broadstone Inv. Tst. (20p) 230

INSURANCE (323)

INVESTMENT TRUSTS

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price p	+ or —	Div p. or amount	Times covered	Gross yield	P.E. ratio
153	F.P.	21/8	172	152	✣Aerospace Eng.	158	—2	bd7.5	1.4	6.8	14.6
64	F.P.	3/9	63	60½	East of Scot. Onshore	61	......	g0.63	—	2.0	—
‖ ¶	F.P.	—	25	16	††Energy Sources	16	......	—	—	—	—
§52	F.P.	24/9	87	75	✣Fleet St. Letter. 5p.	85	+2	u2.5	1.9	4.2	17.9
140	F.P.	16/10	140	130	Hamilton Oil G.B.	137	+1	u1.0	18.4	1.0	7.4
—	F.P.	14/8	7	6	✣Hartons 5p.	7	......	—	—	—	—
§10	F.P.	—	22	17	✣ICC Oil services	19	...	—	—	—	28.0
25	F.P.	18/9	28	27	Japan Assets Trust 10p	27½	......	—	—	—	—
§150	F.P.	—	134	132	✣Markheath 54.6%Pfd.	135	......	—	—	14.4	—
§51	F.P.	20/7	69	61	✣Microfilm Repro.	62	......	b2.5	1.4	6.8	17.9
[illegible]	F.P.	20/8	125	120	✣Newcourt Oil	120	......	—	—	—	—
100	F.P.	—	103	98	✣Ramus	100	—2	gd5.0	2.1	7.1	7.7
83	F.P.	17/7	90	70	✣Stanelco	84	+1	—	—	—	25.8
§155	F.P.	5/8	208	190	✣Star Computer	208		u2.0	4.3	1.4	21.7
—	F.P.	18/9	14	10	Stewart Ent. Warrs	13	......	—	—	—	—
52	F.P.	28/8	120	114	St'ckhold'rsF.E.Inv $1	115	......	—	—	—	—
65	F.P.	7/9	86	75	✣Thorpac	90	+4	b1.82	3.7	2.9	11.8
100	F.P.	15/7	104	95	Utd.Comp.&Tech. 10p	99	—2	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price £	+ or —
—	F.P.	6/7	110	102	Aitken Hume 10% Cnv. Uns. Ln. 1990/91	107	—2
100	£40	—	38¾	38¾	Birmingham Drop-Lock '86/93	38¾	......
100	F.P.	7/8	112½	97½	Chloride 7½% Conv. Prf.	100	......
¶	£10	—	10½	9⅞	East Surrey Water 10% Prf. 1986	10½	......
100 ‖	Nil	28/8	9pm	6pm	Hanson Trust 9½% Cv. Uns. Ln. 2000-6	6pm	......
98½	£25	12/11	25¼	24½	Inco 15¾% Uns Ln. 2006	25¼	......
100	F.P.	12/8	124½	110½	Jones (Edward) 15% Cnv. Uns. Ln. '96-98	118	......
¶97	£10	3/9	110	95	Mid-Kent Water 9% Red. Prf. 1987	96½	......
¶100	F.P.	28/8	98½	96	Mid-Southern Wat. 9% Red. Pref. '86	97	......
‖	F.P.	17/7	104¼	95	Mount Charlotte 9½% Cnv. Ln. 1995-2000	96	......
100	F.P.	-	100⅛	99¾	Nat'wide Bdg Society 14⅜% Bds. 1/8/82	100⅛	......
100	F.P.	—	100½	100⅛	Do. 14¼% Bds (25/8/82)	100⅛	......
100 ‖	F.P.	23/7	179	101	Prop. Hldg. & Inv. Tst. 8½% Cnv. Ln.	103	......
¶¶	F.P.	—	93p	83p	Sterling Credit 3.5% Cnv. Red. Pref.	84½p	—½
100p ‖	F.P.	11/8	100½p	77½p	"W" Ribbons 10% Cum. Red. Prf. '95-98	77½p	......
¶100	£10	—	11	10½	York Waterworks 10% Red. Pref. '85	10¾	......

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1981 High	1981 Low	Stock	Closing price p	+ or —
32	F.P.	31/7	11/9	24	22½	A.I.D.	25	......
45	F.P.	23/7	28/8	54	49	Brengreen	54	......
275	125p	13/7	2/12	182	130	B.P.	170	—4
42	Nil	20/8	17/9	9pm	8pm	Buckley's Brewery	9pm	......
18	F.P.	14/8	4/9	21½	19	Edinburgh Gen. Ins.	20	......
375	F.P.	10/7	73/8	410½	390	English Association	410	......
176	F.P.	7/8	11/9	245	200½	Extel	245	......
240	F.P.	—	—	405	210	††Gaelic Oil	210	......
11	Nil	28/8	30/9	2pm	⅝pm	Gartons	¾pm	—⅛
5	F.P.	14/8	21/8	7½	6	Hartons	7½	......
HK$12	HK$5	28/8	9/10	103	66	Hong Kong & Shanghai Bk.	101	+1
131	Nil	28/8	25/9	40pm	25pm	Ladbroke	40pm	+7
110	Nil	—	—	30pm	16pm	Laird Grp.	23½pm	......
35	F.P.	21/8	2/10	45	41	Lane (Percy)	45	+1
77	F.P.	20/8	25/9	92	81	Moss Engineering	88	......
160 ‖	F.P.	9/7	12/8	200	185	New Court Nat.Res. Units	200	+5
50	F.P.	9/7	12/8	73	65	Old Swan Hotel (H'gate)	67	......
A$1	Nil	—	—	148pm	124pm	Pancontinental	132pm	—2
360p	Nil	—	—	190pm	140pm	Utd. Scientific	146pm	+6

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ✣ Unlisted Securities Market. ‡‡ London Listing. ✦ Effective issue price after scrip.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 17	Aug 28	Nov 19	Nov 30
Sept 7	Sept 18	Dec 3	Dec 14
Sept 21	Oct 2	Dec 17	Dec 28

For rate indications see end of Share Information Service.

Call options were taken out in Brengreen, Dunlop, Double Eagle, Clyde Petroleum, Charterhall, Grindlays, NCC, Montague L. Meyer, Chubb, ERF and F. H. Lloyd. A put was done in Automotive Products while doubles were arranged in Sun Life, Fisons and Charter Cons.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
British Aerospace	228	— 6	MIM	250	—20
British Land	91	+ 4	Plessey	385	—
Grand Metropolitan	202	+ 2	Sun Life	330	—
Hogg Robinson	114	+ 8	United Scientific	521	+28
Inchcape	366	+14	Vinten	348	—12
Ladbroke	167	+ 6	Ward Holdings	49	— 3

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price change	Thurs. closing price pence	Change on week	Stock	No. of price change	Thurs. closing price pence	Change on week
RTZ	133	593	—27	Plessey	64	385	[illegible]
GEC	88	785	— 5	ICI	63	282	+ 4
Unilever	82	637	+37	Shell Trans	63	406	[illegible]
Thorn EMI	76	480	— 6	De Beers Dfd.	62	389	— 8
Racal Elec	73	470	+17	GKN	62	164	[illegible]
Royal Ins	71	207	+10	BTR	60	372	+ 5
Ultramar	68	616	—16	[illegible] Inds	57	385	[illegible]

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
U Scntfic New	35	140pm	[illegible]	[illegible]	10	132pm	[illegible]
Grand Met	15	204	—12	Thorn EMI	10	480	— 7
GEC	13	785	— 5	[illegible]	9	330	+ 2
RTZ	12	593	— 5	BOC A	9	470	—
Royal Ins	12	207	[illegible]	[illegible]	9	164	+ 2
Shell Trans.	11	406	+ 6	[illegible]	8	282	— 2
Sun Life	[illegible]	330	[illegible]	[illegible]	8	135	— 2

MINES—MISCELLANEOUS (279)

MINES—S. AFRICAN (253)

Anglo American Cpn. of S.A. (R0.10) 720 30 2 5 7 8 42
Anglo-Transvaal Cons. Invst. A (R0.50) 22 (18/8)
Blyvooruitzicht (R0.25) $14½ (19/8)
Bracken Mines (R0.90) 156 63 7 9 (18/8)
Buffelsfontein (R1) $35¼ £19.2p

PLANTATIONS (38)

OIL (539)

RAILWAYS (7)

SHIPPING (62)

UTILITIES (15)

PROPERTY (250)

UNIT TRUSTS (10)

UNLISTED SECURITIES MARKET (214)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

* Denotes Irish currency.

All England Lawn Tennis Gnd. £50Db. 1971-85 £6,000 100 200 300 (19/8)
Ann Street Brewery 310 1 2

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

American Oil Field Systems 103 4 5
Aran Energy 49 53 5
Atlantic Resources 299 300 5 10
Berkeley Exploration and Production 347 9 50 2 3
Candecca Resources 208 9 10 1 2 3 4
Eglinton Oil and Gas 120
Mariner Petroleum 154 5
Steaua Romana (British) 70 2 4
Steaua Romana (British) Dfd. 30 ¼ (18/8)
Sun Oil (UK) Oil Royalty 300 (19/8)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	12¾	½-year	1,000	1-3

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	Term shares* %
Abbey National	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Aid to Thrift	9.20	9.45	—	—
Alliance	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs., 9.50 3 months' notice
Anglia	8.25	8.50	9.75	10.50 5 yrs., 9.50 1 mth. notice int. loss
Bradford and Bingley	8.25	8.50	9.75	9.50 1 month's notice deposit
Bridgwater	8.25	8.50	10.00	10.50 5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	8.50	9.75	9.25 3 mths'. not. & 9.50 on balances of £10,000 and over. Escalator shares 9.00-10.50 (1-5 yrs.)
Britannia	8.25	8.50	9.75	10.00 5 yrs., 9.50 3 months' notice
Burnley	8.25	8.50	9.75	10.50 5 yrs., 9.50 3 months' notice
Cardiff	8.25	9.50	10.50	—
Catholic	8.25	8.75	9.75	— 8.95 over £5,000
Chelsea	8.25	8.50	9.75	10.50 5 yrs., 9.90 1 yr., 9.50 3 months
Cheltenham and Gloucester	8.25	8.50	9.75	—
Citizens Regency	—	8.75	10.00	10.75 5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	8.50	8.75	9.60	10.00 Capital City shs.—4 mths. notice
Coventry Economic	8.25	8.50	9.75	10.00 4 yrs., 9.75 3 yrs., 9.50 3 months
Coventry Provident	8.25	8.50	10.50	10.55 av. 5 yr., 10.00 4 yr., 9.25 3 mths.
Derbyshire	8.25	8.50	9.75	9.00 to 9.50 3 months
Ealing and Acton	8.25	9.00	—	9.65 2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Gateway	—	9.50	—	— Plus a/c £500 min. Int. ½-yearly
Greenwich	—	8.75	10.00	10.75 5 yrs., 10.25 4, 9.75 3, 9.50 2 yrs. 3 months' notice shares 10.00
Guardian	8.25	8.75	—	10.00 3 mth., 10.50 6 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	— 3 mths'. notice 9.50, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00 4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25 6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.75	10.50	10.75 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	8.25	8.75	10.50	10.75 5 yrs., 10.50 6 mths.
Leamington Spa	8.35	8.60	11.50	10.10 (1 year)
Leeds Permanent	8.25	8.50	9.75	9.25 E. I. a/c £500 min., 9.50 £5,000+
Leicester	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	10.50 5 yrs., 9.55 1 month int. penalty
London Grosvenor	8.25	9.00	11.00	9.50 6 months' notice
Melton Mowbray	8.35	8.60	9.75	10.10 4 yrs. 8.85 (up to £1,000) 3 mths. not. 9.60 (over £1,000) 3 mths.
Mornington	9.10	9.60	—	—
National Counties	8.50	8.80	9.80	9.50 35 days' notice, min. dep. £500 6 mth., 9.90, 11.00 at 9 mths. not.
Nationwide	8.25	8.50	9.75	10.50 5 yrs. £500 min. 90 days' not. bonus a/c 9.25 £2,500 min., 9.50 £10,000+, 28 days' not.
Newcastle	8.25	8.50	9.75	10.50 4 yrs., 9.25 2 months' notice
New Cross	9.00	9.25	—	9.25-10.00 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Norwich	8.25	8.50	10.00	9.50 3 yrs., 9.25 2 yrs., min. £500
Paddington	8.00	9.00	10.50	10.00 Loss 1 mth. int. on sums wdn.
Peckham Mutual	8.50	9.00	—	9.50 2 yrs., 10.00 3 yrs., 10.50 4 yrs.
Portman	8.25	8.50	9.75	10.50 5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.30	10.85 (5 yrs.), 10.25 (6 months)
Property Owners	8.50	9.00	10.50	10.50 4 yrs., 10.50 6 mths., 9.80 3 mths.
Provincial	8.25	8.50	9.75	10.00 3 yrs.
Skipton	8.25	8.50	9.75	10.50 5 yr., 9.6-9.75 28 dys. int. on wdl.
Sussex County	8.50	8.75	10.55	11.00-9.50 (6-2 yrs.), 9.25 2 mths. not.
Sussex Mutual	8.50	9.10	10.50	9.25-10.50 all with special options
Town and Country	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Walthamstow	8.25	8.75	9.75	9.75 6 months' notice, min. £1,000
Wessex	8.50	9.60	—	—
Woolwich	8.25	8.50	9.75	10.50 5 yrs., 8.75 6 mths. 3 months' notice account 9.50

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

MONEY MARKETS

London clearing banks base lending rates 12 per cent

The Treasury bill rate fell by 0.2544 per cent at yesterday's tender to 13.2463 per cent, and the minimum accepted bid rose to £96.695 from £96.625. Bids at that level and above were allotted in full. The £100m bills on offer attracted bids of £525.135m, compared with £294.31m for a similar number the previous week. All bills offered were allotted. Next week a further £100m will replace a similar amount of maturities.

Day-to-day credit was in short supply in the London money market despite an early official forecast of a surplus of £50m. The authorities did not intervene in the market during the morning, but in the afternoon gave assistance of £120m by buying local authority bills and eligible bank bills within bands 2 and 3 at rates between 12¾ per cent and 13⅛ per cent.

In the interbank market overnight loans opened at 12½-12¾ per cent and fell to 12-12¼ per cent on hopes of a comfortable day. As it became clear that there was an overall shortage funds went sharply bid however, finishing in the region of 15 per cent. Discount houses paid 12-12½ per cent for secured call loans.

According to the official forecast factors against the market were: bills maturing and take-up of Treasury bills £80m, unwinding of repurchase agreements £490m, and an increase in the note circulation £130m.

EXCHANGES AND BULLION

Dollar weakened in quiet, nervous trading yesterday. The lower trend in Eurodollar interest rates depressed the U.S. currency, while trading was limited by uncertainty about the likely outcome of the Opec meeting in Geneva. On Bank of England figures the dollar's trade-weighted index fell to 111.0 from 111.6. It touched a low point of DM 2.4450 against the D-mark, and finished only slightly higher at DM 2.4467½, compared with DM 2.4710 on Thursday, and DM 2.5250 at the end of the previous week. The dollar fell to a low of FFr 5.8650 before finishing at FFr 5.8725.

The U.S. unit was also weaker against the Swiss franc and Japanese yen ysterday falling to SwFr 2.1285 from SwFr 2.1540, and to Y227.15 from Y228.75.

Nervousness about a possible realignment of currencies in the European Monetary System also contributed to the quietness of the market and the wide dealing quotes.

Sterling's trade-weighted index, as calculated by the Bank of England, fell to 92.3 from 92.4, after opening at 92.5, and falling to 92.3 at noon. The pound opened at about $1.8650, and traded within a range of $1.8570-1.8800, before closing at $1.8750-1.8770, a rise of 1.60 cents on the day. Sterling eased slightly against major Continental currencies, falling to DM 4.59 from DM 4.5950, to FFr 11.01 from FFr 11.02, and to SwFr 3.9950 from SwFr 4.0050.

Gold rose $1 to $430-432

GOLD

	Aug. 21		Aug. 20	
Gold Bullion (fine ounce)				
Close	$430-432	(£230-231)	$429-431	(£230½-231½)
Opening	$429-431	(£230-231)	$434-436	(£233¾-234¾)
Morning fixing	$423.50	(£229.820)	$430.50	(£232.201)
Afternoon fixing	$429.50	(£229.128)	$429	(£230.274)
Gold Coins				
Krugerrand	$445-446	(£237½-238½)	$442-443	(£237¾-238¼)
1/2 Krugerrand	$233-234	(£124½-125)	$231-232	(£124¼-124¾)
1/4 Krugerrand	$118-119	(£63-63½)	$119-120	(£64-64½)
1/10 Krugerrand	$49-50	(£25¾-26½)	$48-49	(£25¾-26¼)
Mapleleaf	$444-445	(£237½-237¾)	$441-442	(£237¼-237¾)
New Sovereigns	$107-108	(£57-57½)	$106½-107½	(£57¼-57¾)
King Sovereigns	$118-120	(£63½-64½)	$118½-120½	(£63½-64½)
Victoria Sovs.	$118-120	(£63½-64½)	$118½-120½	(£63½-64½)
French 20s	$124-129	(£66½-69)	$123-128	(£66½-68¾)
50 pesos Mexico	$536-539	(£286½-288)	$533-536	(£286¾-288½)
100 Cor. Austria	$419-422	(£223½-225½)	$414-418	(£222¾-225)
$20 Eagles	$566-570	(£302½-304½)	$568-573	(£305½-308¼)

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 14,170-14,190 and for the dollar 7,550-7,600. * Selling rate.

THE POUND SPOT AND FORWARD

Aug 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8570-1.8800	1.8750-1.8770	0.85-1.05c dis	−6.40	2.10-2.20dis	−4.58
Canada	2.2500-2.2650	2.2600-2.2615	1.60-1.70c dis	−8.76	4.20-4.40dis	−7.61
Nethlnd.	5.09-5.13	5.09½-5.10½	⅛c pm-⅛ dis	−0.29	¾-¼ pm	0.39
Belgium	74.30-75.00	74.50-74.60	85-95c dis	−14.49	155-170 dis	−8.72
Denmark	14.39-14.49	14.40-14.42	7½-8¾ore dis	−6.87	15⅞-17⅛ dis	−4.61
Ireland	1.2545-1.2610	1.2550-1.2565	0.26-0.39p dis	−3.10	0.87-1.08dis	−3.10
W. Ger.	4.57½-4.62	4.58½-4.59½	½pf pm-par	0.65	2-1½ pm	1.52
Portugal	122.75-124.00	123.65-123.85	60-145c dis	−9.94	165-380 dis	−8.48
Spain	184.25-185.25	184.75-184.95	100-130c dis	−7.46	230-285 dis	−5.57
Italy	2,294-2,307	2,304-2,306	42-44lire dis	−22.39	113-116dis	−19.87
Norway	11.37-11.45	11.40½-11.41½	2½-1½ore pm	1.97	3½-2¼ pm	1.01
France	10.98-11.05	11.00-11.02	17-18c dis	−19.07	32-34 dis	−11.59
Sweden	9.74-9.81	9.79-9.80	1½-2¼ore dis	−2.30	1¼-2¼ dis	−0.71
Japan	424-428	426-427	2.40-2.10y pm	6.33	6.85-6.55 pm	6.26
Austria	32.15-32.40	32.20-32.25	6-2gro pm	1.49	15-5 pm	1.24
Switz	3.98-4.02	3.99-4.00	1½-1⅛c pm	4.13	4¾-4¼ pm	4.50

Belgian rate is for convertible francs. Financial franc 79.90-80.00.
Six-month forward dollar 3.85-3.95c dis. 12-month 6.10-6.30c dis.

EXCHANGE CROSS RATES

Aug. 20	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.876	4.590	426.5	11.01	3.995	5.100	2305.	2.261	74.55
U.S. Dollar	0.533	1.	2.447	227.5	5.869	2.130	2.719	1229.	1.205	39.74
Deutschemark	0.218	0.409	1.	92.92	2.399	0.870	1.111	502.2	0.493	16.24
Japanese Yen 1,000	2.345	4.399	10.76	1000.	25.81	9.367	11.96	5404.	5.301	174.8
French Franc 10	0.908	1.704	4.169	387.4	10.	3.629	4.632	2094.	2.053	67.71
Swiss Franc	0.250	0.473	1.149	106.8	2.756	1.	1.277	577.0	0.566	18.66
Dutch Guilder	0.196	0.368	0.900	83.63	2.159	0.783	1	452.0	0.443	14.62
Italian Lira 1,000	0.434	0.814	1.991	185.0	4.777	1.733	2.213	1000.	0.981	32.34
Canadian Dollar	0.442	0.830	2.030	188.7	4.870	1.767	2.256	1020.	1.	32.98
Belgian Franc 100	1.341	2.516	6.157	572.1	14.77	5.359	6.841	3092.	3.033	100

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Aug. 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12⅝-12⅞	17⅝-17⅞	21½-22½	13⅝-13⅞	¾-1	11⅝-11⅞	18-32	18-25	30-50	6½-6¾
7 days' notice	12⅞-13⅛	17¾-18	21½-22½	13¼-13¾	17½-18	11⅞-12	25-35	34½-39½	31-41½	6¾-7
Month	13⁷⁄₁₆-13⁹⁄₁₆	19⅜-19⅝	21¾-22⅛	13½-13⅝	8⅞-8⅛	12⅛-12¼	30-35	34½-36½	28-31	6⅞-7⅛
Three months	14⅛-14⅜	18½-18¾	21⅜-21¾	13½-13⅝	9-9⅛	12⅜-12½	25½-27½	33¾-34¾	22½-24	7⅜-7⅞
Six months	14¼-14⅜	18⅛-18¾	20¾-21⅛	13¼-13⅜	9⅛-9⅜	12⅛-12⅜	22-24	31½-32½	20-21½	7½-7⅞
One Year	14⅛-14⅜	17¾-18	19¾-20⅛	12⅞-13⅛	8⅞-9	12¼-12½	20-22	29-30	18½-19½	7⅞-8⅛

SDR linked deposits: one-month 17¹¹⁄₁₆-18³⁄₁₆ per cent; three months 16¾-16⅞ per cent; six months 16-16⅜ per cent; one-year 15½-15¾ per cent.

ECU linked deposits: one-month 19¾-20 per cent; three months 17¹⁵⁄₁₆-18³⁄₁₆ per cent; six months 17-17⅜ per cent; one-year 16⅛-16½ per cent.

Asian $ (closing rates in Singapore): one-month 19¹¹⁄₁₆-19³⁄₁₆ per cent; three months 18¹¹⁄₁₆-18¹³⁄₁₆ per cent; six months 18⅜-18⅞ per cent; one-year 17¹⁵⁄₁₆-18³⁄₁₆ per cent. Long-term Eurodollar two years 16⅞-17 per cent; three years 16½-16¾ per cent; four years 16⅜-16⅝ per cent; five years 16¼-16½ per cent; nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.15-18.25 per cent; three months 18.20-18.30 per cent; six months 18.25-18.35 per cent; one-year 17.40-17.50 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 21)

3 months U.S. dollars		6 months U.S. dollars	
bid 18 9/16	offer 18 11/16	bid 18 5/8	offer 18 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Aug. 21 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	12-15	12½-12⅞	—	—	12½-12¾	12-12½	—	—	—
2 days notice	—	—	13⅛-13⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12¾-13	13⅛-13⅜	—	13¼	13⅞-13¾	12⅛	—	—	—
One month	13⁷⁄₁₆-13⁵⁄₁₆	13⁷⁄₁₆-13⁹⁄₁₆	13½	14½-14¼	13⅝	13¾-13⅞	12¾	12¾	12¾-12⅞	14¼
Two months	13¾-13⅝	13⅝-13⁹⁄₁₆	—	14⅞-14⅛	13⅞	—	13-13⅛	13⅟₁₆	13⅟₁₆	14
Three months	13⅞-13¾	13⅞-14⅛	14	14½-14⅛	14⅛	14⅝	13¼	13¼-13⁵⁄₁₆	13⁵⁄₁₆	14
Six months	14-13⅞	14⅛-14⅛	14⅛	13½-13¼	14¼	—	—	—	13¼	14⅛
Nine months	14⅛-13⅞	14⅛-14⅜	—	14⅜-14	14¼	—	—	—	—	—
One year	14⅛-13⅞	14⅛-14⅜	14⅜	14¼-14	14¼	—	—	—	—	—
Two years	—	—	14⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice others seven days' fixed. Long-term local authority mortgage rates nominally three years 14⅝ per cent; four years 14 per cent; five years 14¾ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞-13½ per cent four months trade bills 14 per cent.

Appropriate selling rate for one-month Treasury bills 12⅝ per cent; two months 13⅟₁₆ per cent three months 13⅛-13⅟₁₆ per cent. Approximate selling rate for one-month bank bills 12¾-12¹¹⁄₁₆ per cent two months 13⅟₁₆ per cent and three months 13³⁄₁₆ per cent, one month trade bills 14 per cent two months 13¾ per cent and three months 13¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from August 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rate of discount 13.2463 per cent.

CURRENCY MOVEMENTS

Aug. 20	Bank of England Index	Morgan Guaranty Changes%
Sterling	92.3	−31.5
U.S. dollar	111.0	+3.9
Canadian dollar	88.1	−17.2
Austrian schilling	111.3	+21.8
Belgian franc	105.5	+9.8
Danish kroner	85.4	−11.9
Deutsche mark	115.8	+38.1
Swiss franc	133.4	+81.3
Guilder	107.5	+13.9
French franc	81.3	−12.3
Lira	56.7	−56.1
Yen	143.4	+37.2

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

Aug. 21	£	$		£ Note Rates
Argentina Peso	9679-9699†	5166-5186†	Austria	32.15-32.45
Australia Dollar	1.6265-1.6305	0.8680-0.8686	Belgium	79.20-80.00
Brazil Cruzeiro	187.89-188.89	100.49-100.99	Denmark	14.34-14.59
Finland Markka	8.540-8.553	4.5630-4.5650	France	11.00-11.20
Greek Drachma	110.361-113.760	60.15-60.35	Germany	4.57½-4.62½
Hong Kong Dollar	11.01-11.02	5.8950-5.9050	Italy	2270-2315
Iran Rial	150.00*	81.50*	Japan	425-450
Kuwait Dinar (KD)	0.525-0.531	0.2830-0.2835	Netherlands	5.08-5.13
Luxembourg Fr	74.50-74.60	39.65-39.75	Norway	11.36-11.48
Malaysia Dollar	4.4225-4.4325	2.3675-2.3705	Portugal	121-125
New Zealand Dlr.	2.2520-2.2570	1.2020-1.2030	Spain	181¾-192½
Saudi Arab. Riyal	6.34-6.40	3.4185-3.4215	Sweden	9.74-9.84
Singapore Dollar	4.0325-4.0425	2.1590-2.1620	Switzerland	3.98-4.02
Sth. African Rand	1.7616-1.7646	0.9390-0.9405	United States	1.86½-1.88½
U.A.E. Dirham	6.81-6.87	3.6715-3.6735	Yugoslavia	74½-83

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 14,098-14,118 and for the dollar 7,550-7,600. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	40.9261	+0.31	+0.31	±1.5361
Danish Krone	7.91917	7.90954	−0.12	−0.12	±1.6413
German D-Mark	2.54502	2.51924	−1.01	−1.01	±1.1386
French Franc	5.99526	6.04351	+0.80	+0.80	±1.3638
Dutch Guilder	2.81318	2.79699	−0.58	−0.58	±1.5159
Irish Punt	0.685145	0.688773	+0.53	+0.53	±1.6688
Italian Lira	1262.92	1264.25	+0.11	+0.11	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

U.K. CONVERTIBLE STOCKS 21/8/81

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.◊	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv. 2002	9.60	317.50	333.3	80-97	3.8	0.9	0.3	−4 to 2	17.3	39.2	22.7	+22.4
Hanson Trust 6½pc Cv. 88-93	3.02	155.00	57.1	76-82	4.2		−4.8	−6 to −0	4.2	0.0	−2.6	+2.3
Slough Estates 10pc Cv. 87-90	5.31	245.50	187.5	78-85	4.1		−7.1	−7 to −1	29.9	28.5	−0.5	+6.6
Slough Estates 8pc Cv. 91-94	24.88	117.50	78.0	80-91	6.9	5.8	6.8	6 to 14	29.5	46.0	15.0	+8.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

LONDON STOCK EXCHANGE

Sterling again lifts Gilts and short tap is activated
Equities lack colour but edge up on rail settlement

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Aug 10	Aug 26	Aug 27	Sept 7
Aug 28	Sept 10	Sept 11	Sept 21
Sept. 14	Sept. 24	Sept. 25	Oct. 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

Cautious optimism that sterling was embarking on a sustained upward thrust on the possibility of lower U.S. interest rates or higher UK levels enabled Government securities to improve further yesterday. Most equity sectors on the London Stock Exchange, however, lacked inspiration and leading shares ended the second leg of the extended trading Account with negligible movements.

Only light investment support was needed to push Gilts higher and there was little real excitement until just before the official 3.30 pm close. The Government broker was then bid, and supplied, the short tap Treasury 11¾ per cent 1985, at 91¾, a move which caused interest to quicken. It was too late to establish whether he remained a seller at that price and trade after-hours was restricted. Many shorts closed with gains of ¼. Interest was more selective among the medium and longs, but quotations here showed similar rises.

Confirmation that Grand Metropolitan had acquired Intercontinental Hotels put the shares under fresh pressure initially but the downturn was reversed by news that the deal was to be financed by existing bank lines and that a rights issue was unlikely. The protracted Opec squabble on a unified pricing policy and the subsequent failure of the talks again inhibited interest, and equity sentiment also failed to benefit from the slightly better-than-expected RPI figures.

The calling off of the proposed rail strike did, however, lead to a rally towards the close. A continuation of the movement after-hours left most leading shares a shade harder and the FT Industrial Ordinary share index closed 0.8 up on balance at 561.5, after having shown a loss of 1.8 at 1 pm. On the week, this measure of the market gave up 11 points of the previous week's sharp rise of 34.5.

Birmingham drop-lock 1986-93, the first of its kind to be quoted, opened at 38¾, in £40-paid form, and closed at the same level.

Among Foreign Railways, Antofagasta came on offer again and lost 6 points to £80 for a fall of 13 points on the week.

Hogg Robinson firm

Traded options attracted 1,286 deals—the lowest total of the week. The week's daily average amounted to 1,613. Once again, interest centred on Grand Metropolitan which recorded 519 calls, with the January 200's and October 200's accounting for 192 and 120 trades respectively. Interest in Marks and Spencer declined somewhat, but 134 calls were arranged, while 108 calls were struck in Imps.

Interest in Lloyds Brokers revived following Press comment. **Hogg Robinson** were particularly favoured, rising 9 to 114p, while **C. E. Heath** put on 5 to 312p and **Alexander Howden** appreciated 4 to 132p. Ahead of the interim results due on September 15, **Willis Faber** gained 3 at 380p. Composites were featured by a rise of 10 to 318p in **Phoenix**. Life companies, on the other hand, encountered sporadic profit-taking after the previous day's good gains on speculative bid hopes. **Britannic** gave up 2 to 296p *as did* **Pearl** to 448p; the latter's interim figures are due next Wednesday.

The major clearing banks passed another quiet session and closed easier for choice. **Midland** shed 5 to 330p and **NatWest** dipped a couple of pence to 398p. Discount Houses moved *higher in places with* **Allen Harvey and Ross** closing 7 better at 347p and **Gillett Bros.** 3 dearer at 243p. Elsewhere, **Charterhouse** put on 2 to 85p as did **Kleinwort Benson**, to 260p.

Stores idle

Selective demand was evident in the Building sector. **Costain** took a turn for the better with a gain of 6 to 244p, while revived support lifted **Fairclough** 3 to 134p and **Barratt Developments** a similar amount to 255p. **Newarthill**, still benefiting from recent Press mention, advanced 25 more to 450p in a restricted market. Awaiting next Wednesday's interim results, **Blue Circle** held firm at 492p for a rise of 14 on the week. **Ward Holdings**, in contrast, gave up 3 to 49p on the sharply lower interim profits.

ICI moved narrowly before closing without alteration at 282p. **Norsk Hydro**, on the other hand, lost ⅞ to £43 following the half-yearly figures.

Business in Stores remained at a low ebb and the leaders usually ended with small losses. **British Home** shed 2 to 138p. **Raybeck** continued to buck the trend and firmed that much to 47p; the full-year results are due next Friday. **Owen Owen** encountered further profit-taking and gave up 5 for a fall on the week of 20 to 248p. **Lee Cooper** also lacked support and declined 8 to 142p, while **Dixons Photographic** fell 5 to 170p.

Inclined easier for most of the day, leading Electricals rallied towards the close and final quotations were little altered on balance. **GEC** ended unchanged at 785p, after 778p, while **Racal** also finished without alteration at 470p, after 460p. **United Scientific** remained the centre of interest in secondary issues: the new nil-paid were briskly traded up to 153p premium before settling at 146p premium for a rise of 6 on the day, while the old closed 26 higher at 521p, after touching 523p. **Rediffusion** met fresh profit-taking and gave up 4 to 202p, while **Wholesale Fittings**, still reflecting the preliminary results, eased 3 more to 225p, for a fall of 37 since the announcement.

Conditions in the Engineering market were extremely quiet and movements rarely exceeded a few pence either way. **Ductile** at 78p, gave up 3 of the previous day's rise of 22 which followed the dawn raid on behalf of Caparo. Occasional profit-taking left **F. Pratt** 5 cheaper at 95p and **G. M. Firth** a few pence off at 147p. **Spirax-Sarco**, in contrast, edged up 4 to 158p, while **W. G. Allen** improved 2 to 52p. **Cooper Industries** held at 13½p despite the annual loss and sharply reduced final dividend.

Foods continued to drift gently *lower in a subdued trade*. **Associated Dairies**, annual results next Wednesday, eased 2 more to 196p, as did **Rowntree Mackintosh**, to 172p. In contrast, support was again forthcoming for **Tate and Lyle**, 4 up for a gain on the week of 10 at 180p.

Confirmation that **Grand Metropolitan** is to pay $500m for Pan American's Intercontinental Hotels chain prompted further selling of the former which reacted to 197p; support was evident at this level, however, following a statement from the company effectively denying that the acquisition would be financed by a rights issue and the shares rallied to 205p before settling for a net fall of 2 at 202p. Elsewhere in Hotels, good support was seen for **Ladbroke**, 6 up at 167p; the nil-paid rose 7 to 40p premium. **Kennedy Brookes** added 2 to 131p following the company's progress report.

Standard Fireworks up

Well supported of late, **Standard Fireworks** rose 5 more, making a rise on the week of 13 to 144p, on the announcement that Mr Harvey Michael Ross has acquired a 5 per cent stake in the company. Elsewhere in miscellaneous industrials, **J. Billam** put on 5 to 133p in response to Press comment and **J. Hewitt** closed a like amount dearer at 71p on revived demand. **Marshall's Universal** improved 3 more to 78p, *while similar rises* were recorded in **Benlox**, 35p, **Chamberlain Phipps**, 43p, and **Elliott Group of Peterborough**, 40p. **Applied Computers** put on 10 to 130p and **Hoskins and Horton** added 4 at 86p. **Morgan Crucible**, at 130p, retrieved half of the previous day's fall of 4 which followed the poor interim figures and the proposed £10.8m rights issue. Profit-taking clipped 12 from **Vinten** at 348p and **British Aerospace** remained friendless at 228p, down 6. **Carlton Industries** shed 10 to 190p and **Halma** 4 to 98p. The leaders ended the week narrowly mixed. **Rank Organisation** declined 4 to 158p and **Turner and Newall** cheapened 2 to 88p, after 86p, but **Beecham** hardened 2 to 226p as did **Glaxo**, to 410p.

Automotive Products, a nervous market recently in the wake of the first-half deficit and reduced interim dividend, rallied 5 to 67p following a broker's recommendation. Elsewhere in Motor Components, **Dunlop** added a couple of pence to 77p, but the prospect of further redundancies in the company's electrical subsidiary unsettled **Lucas** which ended 3 cheaper at 219p.

...**British Land** came on offer in Properties, falling to 90p before closing a net 4 down on balance at 91p. **Land Securities** and **MEPC** both lost the turn to 337p and 246p respectively but **Stock Conversion** rallied 5 to 360p. Elsewhere, **Churchbury Estates** continued firmly, rising 20 more for a gain on the week of 65 to a 1981 peak of 780p. **Rosehaugh** gained 10 to 327p as did **United Real**, to 515p, while **Greycoat** rose 6 to 184p and **Peachey** 5 to 151p.

Oils weak late

A quietly dull trend in leading Oils was exacerbated by the announcement that the Opec negotiations had ended in deadlock because of Saudi Arabia's *refusal* to raise *its price to a* compromise level of $35 a barrel. Subsequently, closing falls ranged to double-figures with **Shell** finishing 14 down at 392p and **BP** 10 off at 320p. **Ultramar** also shed 10, to 505p, as did **Sovereign**, to 385p, while **LASMO** fell 15 to 600p. **Tricentrol** dipped 8 to 288p, **Burmah** 4 to 120p, **Candecca** 6 to 206p and **Berkeley Exploration** 5 to 345p. Against the trend, **NCC** were firm again at 115p, up 5, and **International Petroleum** finished 10 better at 280p.

Reports that the company's Toyota franchise in the Far East, *thought to be under threat*, is safe for at least two more years prompted steady support of **Inchcape**, 14 better at 366p. **Sime Darby**, preliminary figures expected next Thursday, rose 6 to 92p, but reduced mid-term earnings clipped 2 from **William Jacks**, 21p.

Occasional losses in the Shipping sector included **British and Commonwealth**, 5 lower at 305p, and **Reardon Smith**, 3 cheaper at 132p, the latter after the annual statement.

Corah added a penny to 36p, the halved interim earnings being outweighed by the company's confidence in the outlook. Other Textiles remained subdued and movements were restricted to a couple of pence either way.

Plantations, a dull sector of late reflecting Far Eastern advices, ended the week on a firmer note. **Malakoff** added 3 to 98p, still down 12 on the week, while similar gains were marked against **Kuala Lumpur Kepong**, 50p, and **Cons. Plants Warrants**, 146p.

Quiet mines

Mining markets ended a volatile week on a quiet note. Golds were a fraction easier as the bullion price held steady prior to closing $1 up at $431 an ounce. The Gold Mines index gave up 1.5 to 370.5, 0.7 lower on the week.

In the heavyweights, falls of ¼ were common to **Winkelhaak**, £17, **St. Helena**, £17¼, and **Western Holdings**, £31¼, while **Vaal Reefs** gave up ½ to £34.

Financials continued to lose ground, influenced by the trend in Golds. In South Africans, **De Beers** dropped 4 more to 385p, a week's decline of 18—still reflecting the 45 per cent fall in half-year profits announced on Wednesday.

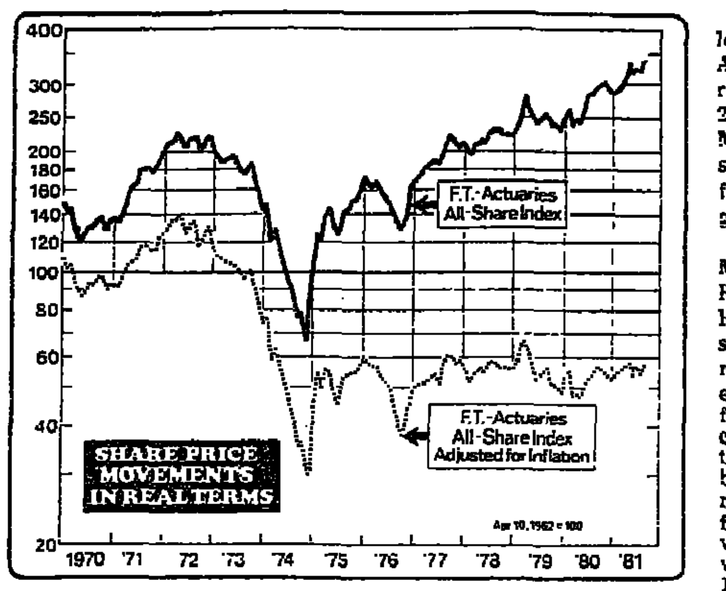
Among London Financials, **Tanks** dropped 9 to 306p and **Rio Tinto-Zinc** eased 2 to [illegible], reflecting the recent decline of metal prices and fading bid hopes.

A poor performance in overnight Sydney and Melbourne markets prompted widespread losses in Australians.

In the leaders, **MIM Holdings** were particularly vulnerable and dropped 20 to 250p, while losses of 8 were common to **CRA**, [illegible], and **Western Mining**, [illegible]. **Bougainville** retreated 5 more to 98p—a week's fall of 13—on further consideration of the [illegible] per cent decline in profits and *the reduced interim dividend*.

Coppers showed **Roan Consolidated** 10 lower at 110p in the wake of the losses in the June quarter.

Elsewhere, **Northgate**, suspended in overnight Toronto and New York markets, were re-quoted at 430p—compared with a pre-suspension price of 485p—following the acquisition of assets from Patino; the latter rose £1¼ to £30¼.



FINANCIAL TIMES STOCK INDICES

	Aug. 21	Aug. 20	Aug. 19	Aug. 18	Aug. 17	Aug. 14	A year ago
Government Secs	65.00	65.01	64.82	65.18	65.24	[illegible]	[illegible]
Fixed Interest	66.59	66.50	66.49	66.49	66.29	66.28	[illegible]
Industrial Ord	561.5	560.7	563.3	567.1	572.9	[illegible]	[illegible]
Gold Mines	370.5	372.0	398.0	386.4	368.3	371.2	[illegible]
Ord. Div. Yield	5.34	5.34	5.31	5.29	5.25	5.28	[illegible]
Earnings, Yld. % (full)	9.34	9.33	9.28	9.24	9.18	9.16	[illegible]
P/E Ratio (net) (*)	14.12	14.13	14.20	14.11	14.29	[illegible]	7.08
Total bargains	16,470	16,443	18,687	18,008	17,348	22,018	[illegible]
Equity turnover £m.	—	116.10	133.82	137.62	123.75	148.49	97.28
Equity bargains	—	11,942	13,354	14,207	14,003	14,569	16,055

10 am 560.2. 11 am 560.2. Noon 558.9. 1 pm 558.8. 2 pm 559.0. 3 pm 559.9.

Latest Index 01-246 8026.

Nil = 12.70.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	63.12 (21/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/3)	65.36 (21/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (6/1)	282.6 (28/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 20	Aug. 19
—Daily		
Gilt Edged Bargains	141.3	[illegible]
Equities Bargains	77.6	[illegible]
Value	234.7	[illegible]
5-day Avrge.		
Gilt-Edged Bargains	156.4	[illegible]
Equities Bargains	88.2	95.0
Value	263.9	275.8

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (49)

BANKS (2)
Bank of Scotland; Schroders

BUILDINGS (5)
Barratt Dvlpts.; Lilley (F. J. C.); Fairclough Cnstrctn.; *Rowlinson*; French Kier

CHEMICALS (1)
Wolstenholme

STORES (1)
Bakers Household

ENGINNERING (3)
Lane (Percy); Ratcliffs (G. B.); Molins

FOODS (1)
Squirrel Horn

HOTELS (2)
Kennedy Brookes; Ladbroke

INDUSTRIALS (12)
Billam (J.); Phillips Patents; *Christie-Tyler*; *Press (Wm.)*; Elliott Peterborough; R.F.D. Group; Evode; Security Serv. A N-V; Hewitt (J.); Standard Fireworks; Hoskins & Horton; TSL Thermal Synd.

PROPERTY (2)
Churchbury Ests.; Rosehaugh

SHOES (1)
Garnar Booth

TEXTILES (1)
Allied Textiles

TRUSTS (16)
Anglo Am. Secs.; London & Strathclyde; Argo Inv.; N. Atlantic Secs.; Drayton Far Eastern; Scottish National; Greenfriar; Sphere Inv.; Group Investors; Sterling Trust; Inv. in Success; Viking Resources; Jersey General; Mercury Com. Mkt; London & Gartmore; Mercury Trans. Trust

OILS (1)
Gulfstream Res. Can.

MINES (1)
Lydenburg

NEW LOWS (14)

BANKS (2)
Copenhagen H'bank; Credit France

ELECTRICALS (1)
Forward Technology

FOODS (2)
Fitch Lovell; Matthews (B.)

INDUSTRIALS (3)
Christies Internatl.; St.-Gobain; Manch. Ship Canal

LEISURE (1)
Assoc. Leisure

OILS (3)
Double Eagle; Strata Oil; Mconie Oil

MINES (2)
Cons. Gold Min.; Leichardt Explrtn.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	55	1	36	212	99	152
Corpns. Dom. & Foreign Bonds	6	1	62	41	19	285
Industrials	170	249	956	978	1,300	4,605
Financial and Props.	94	87	320	523	547	1,438
Oils	12	42	45	78	188	229
Plantations	8	1	14	15	31	69
Mines	22	73	71	227	294	309
Others	26	79	95	152	407	458
Totals	393	533	1,599	2,226	2,885	7,545

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Aug. 21, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur. Aug. 20 Index No.	Wed. Aug. 19 Index No.	Tues., Aug. 18 Index No.	Mon., Aug. 17 Index No.	Year ago (approx.) Index No.	Highs and Lows Index 1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (214)	371.30	−0.1	9.50	4.17	13.15	371.75	372.30	374.76	376.33	288.49	376.33 (17/8)	272.28 (15/1)	376.33 (17/8/81)	50.71 (13/12/74)
2	Building Materials (25)	324.06	−0.1	11.47	5.24	10.72	324.50	323.98	323.82	325.45	261.97	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	589.40	+0.9	16.28	4.83	7.13	584.13	584.69	587.51	588.50	424.31	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (30)	1231.77	−0.2	7.33	2.24	17.03	1233.84	1237.47	1249.73	1248.45	861.94	1251.96 (14/8)	888.13 (15/1)	1251.96 (14/8/81)	84.71 (25/6/62)
5	Engineering Contractors (10)	500.38	+0.2	12.17	5.45	9.77	499.49	500.05	503.69	508.73	339.00	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (69)	212.10	−0.4	11.38	5.38	11.33	212.93	213.32	214.00	216.24	185.36	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	167.59	−0.8	9.49	7.09	13.82	168.92	168.17	170.11	173.03	166.08	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	105.00	+0.3	1.62	6.59	—	104.71	105.34	104.84	105.85	101.40	112.76 (1/5)	84.67 (23/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (16)	397.57	−0.1	9.05	5.05	13.25	397.92	398.47	402.66	404.66	0.00	405.13 (14/8)	277.55 (15/1)	405.13 (14/8/81)	277.55 (15/1/81)
21	CONSUMER GROUP (195)	290.03	—	11.85	5.53	10.42	289.95	292.32	295.13	296.18	243.51	296.18 (17/8)	227.50 (14/1)	296.18 (17/8/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	305.36	−0.1	14.64	6.32	8.21	305.72	312.42	315.85	317.84	297.49	325.16 (16/6)	244.42 (13/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	270.90	−0.2	14.36	6.15	8.40	271.41	273.43	276.29	273.12	220.87	276.29 (18/8)	204.17 (14/1)	276.29 (18/8/81)	59.67 (11/12/74)
26	Food Retailing (14)	559.90	−0.1	8.80	3.19	13.55	560.34	561.37	568.50	568.43	367.03	568.50 (18/8)	440.89 (11/3)	568.50 (18/8/81)	54.25 (11/12/74)
27	Health and Household Products (7)	359.60	+0.6	7.70	4.09	15.48	357.63	359.58	363.50	363.12	240.10	363.50 (18/8)	245.38 (14/1)	363.50 (18/8/81)	175.38 (28/5/80)
29	Leisure (22)	463.00	+0.1	8.91	4.62	13.95	462.63	469.16	472.34	473.99	346.53	476.41 (14/8)	327.38 (16/1)	476.41 (14/8/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	497.66	+0.2	12.33	5.93	11.60	496.58	498.40	499.60	502.74	439.16	526.15 (11/5)	419.04 (15/1)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	154.24	−0.3	13.62	6.86	8.72	154.73	154.43	155.55	155.88	131.18	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (44)	269.03	−0.1	10.76	4.96	12.40	269.33	271.03	273.62	276.83	242.01	294.06 (30/4)	238.15 (15/1)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	163.69	+0.5	7.24	5.58	19.78	162.82	164.46	166.66	168.14	123.38	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	267.77	+0.6	18.97	9.32	6.18	266.29	264.81	265.97	268.94	230.70	269.47 (11/8)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (16)	288.21	+0.1	4.23	5.85	60.53	287.97	288.22	288.53	289.18	0.00	311.40 (1/5)	231.28 (4/2)	311.40 (1/5/81)	231.28 (4/2/81)
41	OTHER GROUPS (79)	235.73	−0.2	9.78	6.08	13.38	236.17	236.21	238.03	238.00	229.26	249.19 (30/4)	203.40 (13/3)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (15)	297.72	+0.1	4.56	6.10	42.16	297.28	298.63	302.57	302.90	316.48	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (5)	112.31	−1.5	15.24	7.61	7.92	114.06	113.89	116.15	116.24	107.69	129.79 (22/4)	93.19 (14/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	542.54	+0.1	15.23	7.03	7.80	541.95	540.31	540.26	537.40	617.88	644.76 (24/4)	518.82 (15/1)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (46)	311.07	−0.4	12.50	5.40	9.83	312.17	311.18	311.57	311.59	283.80	312.17 (20/8)	249.71 (19/1)	312.17 (20/8/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (488)	310.07	−0.1	10.69	5.07	11.67	310.18	311.61	314.17	315.22	259.24	315.22 (17/8)	241.24 (15/1)	315.22 (17/8/81)	59.01 (13/12/74)
51	Oils (12)	748.36	−3.1	22.52	7.69	4.93	772.05	765.63	776.50	787.15	803.00	923.71 (2/1)	653.38 (9/7)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	345.51	−0.6	12.71	5.52	9.46	347.54	348.36	351.58	353.39	302.39	353.39 (17/8)	290.43 (14/1)	353.39 (17/8/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	276.77	—	—	5.39	—	276.66	275.61	276.72	278.67	239.87	278.67 (17/8)	227.09 (19/1)	278.67 (17/8/81)	55.88 (13/12/74)
62	Banks (6)	280.67	−0.3	31.74	6.68	3.71	281.49	280.23	281.74	285.76	239.72	287.38 (17/7)	220.84 (11/3)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	275.41	−0.1	—	8.19	—	275.70	275.18	272.29	272.01	284.23	314.03 (20/3)	262.30 (24/7)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3)	258.72	—	11.83	7.02	11.69	258.72	259.33	259.33	260.21	224.68	274.53 (25/3)	194.82 (8/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	290.93	−0.2	—	5.21	—	291.55	289.34	289.67	292.72	249.69	292.72 (17/8)	222.74 (7/1)	292.72 (17/8/81)	44.88 (2/1/75)
66	Insurance (Composite) (9)	185.76	+0.3	—	7.04	—	185.14	184.82	185.23	185.60	165.10	185.76 (21/8)	142.06 (19/1)	185.76 (21/8/81)	43.96 (13/12/74)
67	Insurance Brokers (8)	432.25	+1.6	10.30	5.37	13.18	425.64	426.42	428.87	436.01	342.22	438.04 (14/8)	294.21 (20/1)	438.04 (14/8/81)	65.86 (16/12/74)
68	Merchant Banks (13)	172.44	+0.3	—	4.93	—	171.98	172.07	173.50	173.91	143.23	179.36 (2/7)	143.07 (20/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (49)	493.50	−0.1	3.88	2.85	34.90	494.10	491.06	493.94	495.32	446.95	517.77 (2/4)	435.73 (16/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10)	185.22	—	17.29	5.72	7.04	185.18	185.30	185.39	186.44	146.56	186.99 (13/8)	165.30 (19/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	328.58	+0.1	—	4.85	—	328.14	326.91	329.48	332.90	269.59	332.90 (17/8)	271.01 (23/1)	332.90 (17/8/81)	71.63 (13/12/74)
81	Mining Finance (3)	281.99	−0.3	12.49	4.85	9.43	282.72	284.10	284.60	288.01	251.03	296.26 (14/8)	200.76 (6/2)	296.25 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (20)	435.51	+0.6	10.72	6.82	11.90	432.96	436.25	434.18	437.91	436.61	488.51 (18/5)	420.28 (14/1)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	332.38	−0.4	—	5.46	—	333.68	334.02	336.60	338.64	290.27	338.64 (17/8)	278.20 (14/1)	338.64 (17/8/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri., Aug. 21	Day's change %	Thur. Aug. 20	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	106.53	+0.22	106.30	—	7.82
2	5-15 years	104.23	+0.21	104.01	—	8.60
3	Over 15 years	105.52	+0.11	105.40	—	9.81
4	Irredeemables	115.92	+0.37	115.49	—	7.43
5	All Stocks	105.11	+0.18	104.92	—	8.66
6	Debentures & Loans	82.07	−0.12	82.17	—	7.03
7	Preference	62.15	+0.04	62.12	—	5.10

	AVERAGE GROSS REDEMPTION YIELDS		Fri., Aug. 21	Thur. Aug. 20	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low	5 years	12.40	12.41	11.99	12.97 (21/7)	11.20 (20/3)
2	Coupons	15 years	13.08	13.07	11.99	13.53 (20/7)	11.86 (20/3)
3		25 years	13.31	13.30	11.99	13.79 (20/7)	11.88 (6/1)
4	Medium	5 years	14.58	14.65	13.52	15.13 (21/7)	12.91 (20/3)
5	Coupons	15 years	15.03	15.05	13.44	15.60 (21/7)	13.32 (20/3)
6		25 years	14.60	14.59	13.37	15.19 (21/7)	13.03 (20/3)
7	High	5 years	14.55	14.59	13.67	15.11 (21/7)	12.93 (20/3)
8	Coupons	15 years	15.23	15.24	13.81	15.77 (21/7)	13.54 (20/3)
9		25 years	14.85	14.84	13.64	15.38 (21/7)	13.15 (20/3)
10	Irredeemables†		12.93	12.97	11.52	13.18 (20/7)	11.35 (20/3)
11	Debs & Loans	5 years	15.49	15.49	14.36	16.02 (10/8)	13.80 (27/3)
12		15 years	15.82	15.79	14.13	16.19 (21/7)	14.16 (27/3)
13		25 years	15.86	15.83	14.07	16.21 (21/7)	14.25 (27/3)
14	*Preference*†		15.86	15.86	14.47	16.39 (9/8)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p. CONSTITUENT CHANGE: Ofrex Group (Office Equipment) has been deleted and replaced by More O'Ferrall (Miscellaneous Unclassified). NAME CHANGES: Barton & Sons has changed its name to Barton Group (Metals and Metal Forming) and Gerrard & National Discount to Gerrard & National (Discount Houses).

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS—contd.

Management International Ltd.
Bk. of Bermuda Bldg., Bermuda. 809-295-4000
Bda. Intl. Bd. Fd. Cap. US$11.87
Bda. Intl. Bd. Fd. Inc. US$10.37 ... 12.80
Prices Aug. 14. Next dealing Aug. 24.

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Sterling Money Fd. £11.1991 11.1993
Next subscription day August 26.

J. Henry Schroder Wagg & Co. Ltd.
120 Cheapside, EC2 01-588 4000

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.(a)(c)

Barclays Unicorn Ltd.(a)(c)(g)

Baring Brothers & Co., Ltd (x)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd.(a)(c)(g)

The British Life Office Ltd (a)

Brown Shipley & Co. Ltd. (a)(g)

Buckmaster Management Co. Ltd.

Canada Life Unit Trust Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Car. Sebag Unit Trust Managers(a)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd. (a) (g)

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M. (a) (b) (c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Robert Fraser Trust Mgt. Ltd.

Friends' Provdt. Trust Mgrs. (a) (b) (c)

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hexagon Services Ltd.

Hill Samuel Unit Tst. Mgrs.† (a)

Investment Intelligence Ltd. (a)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

McAnally Fund Management Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd. (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a) (g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a) (b) (c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (a) (g) (z)

Rowan Unit Trust Mngt. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fund Mgrs. Ltd.

Scottish Widows' Fund Management

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Insurance Group

Swiss Life Pen. Tst. Man. Co. Ltd. (a)(c)

Target Tst. Mngrs. Ltd. (a) (g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. (c) (y)

Trustee Savings Bank

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Arrow Life Assurance

Barclays Life Assur. Co. Ltd.

Black Horse Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Clerical Medical Life Assurance

City of Westminster Assur. Co. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance PLC

Eagle Star Insur./Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Family Assurance Society

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Mutual Assurance Society

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Solar Life Assurance Limited

Sun Alliance House, Horsham.

Sun Life Assurance Co. of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Sun Life Pensions Management Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Adig Investment

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

B.I.G. Bond Investments AG

Bank of America International S.A.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

C.S.C. Investments

Capital International Fund S.A.

Central Assets Management Ltd.

Charterhouse Japhet

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1981 High	Low	Stock	Price £	+ or –	Int.	Red.
96⅞	92¼	Aust. 5½pc '81-82	96⅞	.....	5.80	14.59
87½	85½	Do. 6pc 1981-83	86⅛	.....	7.06	13.87
67⅞	59	N.Z. 7¼pc 1988-92	60¼	.....	12.23	14.92
83¾	74	Do. 7½pc '83-86	75¾	.....	10.14	15.31
141	115	S. Rhod. 2½pc Non-Ass.	140	.....	—	—
60	43	Do. 3½pc 30-85 Asstd.	60	.....	5.83	13.40
43	26	Do. 4½pc 87-92 Asstd.	41	.....	10.98	16.60
395	253	Zimbabwe Ann (£100pa)	390	.....	—	21.47

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

1981 High	Low	Stock	Price	+ or –	Div. Gross	C'vr	Y'ld Gr's
10⅞	790p	Can. P. Ent.II	10½	.....	$1.12	—	4.8
13⅞	810p	Gulf Can.II	12⅝	–¼	44c	—	1.5
962p	798p	Hawker Sid. Can.II	833p	+19	96c	—	5.2
20½	14⅝	Hollinger $5	14⅝	.....	$2.20	—	6.7
16¼	812p	Hudson's Bay II	12⅝	+¼	$1.20	—	4.2
21¼	795p	Hud.B.Oil G. $2½	20⅞	.....	32c	—	0.7
16⅞	11½	Imperial Oil II	15⅞	–¼	$1.40	—	3.9
13⅛	765p	Incoll	903p	–5½	SUS72c	—	4.1
750p	450p	Int. Nat. Gas $1	620p	+10	$1.10	—	7.3
210p	139p	Massey Ferg.II	139p	–11	—	—	—
120p	75p	Place Gas $1	88p	–2	—	—	—
17½	10¼	Rio Algom	16⅝	+½	$1.50	—	4.0
12⅞	10⅞	Royal Bk. Can. $1	12	.....	$1.80	—	6.7
32⅛	23¼	Seagram Co. C$1	30⅞xd	+1	US$1.40	—	2.5
14⅛	11¼	Tor. Dom. Bk. $1	12½	–½	$1.60	—	5.5
11	750p	Trans Can. Pipe.	950p	–2	$1.16	—	5.4

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE—Continued

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LEISURE

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial Vehicles

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Components

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Garages and Distributors

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PAPERS, PRINTING ADVERTISING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PROPERTY—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPPING

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHOES AND LEATHER

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOUTH AFRICANS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEXTILES

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOBACCOS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance, Land, etc.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL AND GAS—Continued

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OVERSEAS TRADERS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RUBBERS AND SISALS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TEAS

India and Bangladesh

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sri Lanka

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Africa

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES

Central Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Eastern Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Far West Rand

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

O.F.S.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Finance

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Diamond and Platinum

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Central African

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
45	32	Acmex 50c	43	...	Q2.5c	—	3.6
41	24	ACM 20c	35	-1	—	—	—
21	11½	Argosy Gold NL 25c	12		—	—	—
229	137	Bond Corp.	206	-2	Q10c	ϕ	3.0
112	76	Bougainville I Kina	98	-5	Q25.4c	1.0	‡
302	214	CPA 50c	246	-6	Q19c	1.7	4.7
25	15	Canada Northwest	16	...	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Tins

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Copper

410	165	Messina R0.50	400		tQ45c	4.7	6.4

Miscellaneous

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
310	200	Cons. Murch. 10c	300	...	[illegible]	[illegible]	[illegible]
8½	6	††Explaura Gold	8½	.....	—	—	—
98	55	††Hemerdon 10c	63	.....	—	—	—
180	110	Highwood Res.	115	+5	—	—	—
505	300	Northgate C$1	430	-55	—	—	—
653	572	R.T.Z.	591	-2	16.0	3.2	3.9
£130½	£93½	Do. 8½% Cv. Ln. 75-2000	£127	-2	Q8½%	—	f7.3
103	27	††SPG Minerals 10p	27	.....	—	—	—
47	22	Sabina Inds. C$1	24	-2	—	—	—
44	28	††SWCM 10p	34	.....	—	—	—
580	465	Tara Exptn. $1	570	-5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ● Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- ϕ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ☆☆ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	46		Conv. 9% '80/82	£92¾	
Bertrams	10		Nat. 9¾% 84/89	£69⅜	
Bdg'wtr. Est. 50p	465		Fin. 15% 97/02	£80	−⅛
Craig & Rose £1	£13		Alliance Gas	67	
Finlay Pkg. 5p	22		Arnott	220	
Graig Ship. £1	£23		Carroll (P.J.)	82	
Higsons Brew	68		Concrete Prods.	91	+1
Holt (Jos) 25p	485		Helton (Hldgs.)	30xd	
I.O.M. Stm. £1	167		Irish Ropes	44	
Pearce (C. H.)	340		Jacob	63	
Peel Hldgs.	160		T.M.G.	16	
Sheff. Refrshmt	93xd		Unidare	75xd	−5
Sindall (Wm.)	194				

(IRISH heading above the right-hand list.)

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	10
BOC Intl.	11	"Imps"	7	Woolworths	6
B.S.R.	7	I.C.L.	6		
Babcock	11	Ladbroke	30	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	3
Beecham	18	Lex Service	10	Cap. Counties	11
Blue Circle	35	Lloyds Bank	28	Land Secs.	37
Boots	20	"Lots"	4½	MEPC	20
Bowaters	24	London Brick	7	Peachey	15
Brit. Aerospace	17	Lucas Inds.	18	Samuel Props.	13
B.A.T.	25	"Mams"	20	Town & City	2½
Brown (J.)	9	Mrks. & Spcr.	11		
Burton Ord.	14	Midland Bank	25	**Oils**	
Cadburys	7½	N.E.I.	8	Brit. Petroleum	33
Courtaulds	7	Nat. West. Bank	32	Burmah Oil	16
Debenhams	10	P & O Dfd.	12	Charterhall	8
Distillers	17	Plessey	28	KCA	22
Dunlop	8½	Racal Elect.	34	Premier	7½
Eagle Star	25	R.H.M.	5	Shell	32
F.N.F.C.	3	Rank Org. Ord.	18	Tricentrol	30
Gen. Accident	30	Reed Intnl.	25	Ultramar	44
Gen. Electric	60	Sears	5		
Glaxo	28	Tesco	5½	**Mines**	
Grand Met.	18	Thorn EMI	50	Charter Cons.	21
G.U.S. 'A'	44	Trust Houses	15	Cons. Gold	45
Guardian	30	Tube Invest.	18	Lonrho	9
G.K.N.	15	Turner & Newall	10	Rio T. Zinc	45
Hawker Sidd.	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 20

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Saturday August 22 1981

MEN OF THE WEEK

The two match winners

BY TREVOR BAILEY

IAN BOTHAM and Mike Brearley, are the two people most responsible for the resurgence of interest and euphoria which have done so much for English cricket. Together they form a most unlikely and successful partnership: the great instinctive cricketer, an aggressive, boisterous extrovert; and the quiet, scholarly and yet ruthless leader who orchestrated the efforts of his team.

Brearley was appointed for Headingley. Botham had resigned the captaincy after a disastrous reign. Not a test had been won, a substandard Australia had captured the Prudential Trophy and was one up in the series and, perhaps most depressing of all, our most accomplished cricketer was experiencing such a bad patch that there was even talk of his not being worth his place. The outcome of the appointment was remarkable. In three matches, Brearley transformed a shambles of a side into a match-winning combination for which *he deserves enormous credit.*

The Australians, who thought they had the Ashes in their grasp, were sent reeling by the combination of the all-round genius of Botham and Brearley's leadership before they had time to realise what had hit them.

Botham and Brearley
The mighty opposites

Botham was named Man of the Match in all three games and proved himself to be probably the best match-winner England has ever produced. What is more, he did it in the grand manner.

There are many reason why Brearley has had such a distinguished record as captain of England. He understands his players and has gained their confidence, because he achieves results. They not only respect his tactical judgment but also, as their negotiator on financial matters, he has frequently displayed more acumen and determination than the shrewdest trade union leader. On the field, he is clever and calm in a tight situation.

With a first class honours degree from Cambridge, a *varied range of interests outside* the game, and being older than most of his team, he remains close to it, but not too close. A good skipper cannot afford to be one of the boys.

It is also true that Brearley has been a lucky captain in that he has always taken command at the right time, and against opposition that has not been too powerful. He did not, for example, have to face the West Indies, but there is no doubt he makes the most of the potential *at his disposal, and nobody* could ask for more. This summer, of course, he was fortunate that Botham could perform a cricketing miracle in each game, but then he has always been able to get more out of this remarkable player than anybody else, which helps to explain their close relationship.

This is because he has realised that it is useless giving normal instructions to a genius, who is a law unto himself and is most effective when given *his head.*

In the field the best policy is to toss him the ball and say "a couple of wickets would be handy and you can do it 'Both'," but even Brearley must have been surprised in the *Fourth Test, when Both res*ponded with the last five wickets for a solitary run.

Instructions to Botham, the batsman, when a large score is essential and only the tail remains are even more difficult, as *he is unique among modern* players a genuine hitter and a throwback to another era. The most appropriate might be "play your shots, but don't get out," which is exactly what he did at Headingly and Old Trafford, where he produced his second century of the series.

There is no doubt that Brearley's thoughtful handling of Botham has inspired him to even greater heights and nobody appreciates, with good reason, the value of this phenomenal all-rounder more than he does.

Inflation rate below 11% but further big fall unlikely

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE ANNUAL rate of retail price inflation in the UK has fallen to less than 11 per cent for the first time since just after the 1979 general election. But *a further big drop is unlikely* in the next few months.

Department of Employment figures published yesterday show that the retail price index rose by 10.9 per cent in the 12 months to mid-July, to 297.1 (January 1974=100). This compares with 11.3 per cent in the previous month and a peak of 21.9 per cent in May, 1980.

Any comfort for the Government in yesterday's statistics will be limited by the possibility that the unemployment figures, due on Tuesday may show a rise in the overall "headline" total to very close to 3m from 2.85m in mid-July.

The retail prices index rose by only 0.4 per cent last month and its rate of growth in recent months has been less than many City analysts expected.

The recession and competitive pressures appear to continue to limit the rise in many prices. For example, the average price *of clothing and footwear has* fallen by 0.3 per cent in the last 12 months while prices of durable household goods have risen by just 4.6 per cent.

In contrast, nationalised industries have been able to raise *their prices by 19.6 per cent in* the last year, though the rate of growth now appears to be slackening. Housing costs, including rates and council house rents, are also increasing sharply, up 16.5 per cent in the last year.

The slowdown in the 12-month rate of retail price inflation is likely to be checked when the mid-August figure is announced. Comparison will be with a rise of only 0.2 per cent in 1980, when the prices of many seasonal foods fell sharply.

This year the index will be *boosted, for example,* by big rises in petrol prices, and by the recent increase in cigarette duty.

Officials are still hopeful that, after this hiccup, the downward trend in the 12-month rate will be resumed though progress may be very slow.

The Treasury's forecast of a 12-month rate of increase of 10 per cent by the fourth quarter of this year therefore now looks out of reach.

Whitehall officials are more confident than many City economists about the chances of avoiding a significant acceleration next year. Much will depend on the exchange rate of sterling and on pay rises this winter.

There are hopes in Whitehall that the recent fall in the pound will have a smaller impact on prices than has been assumed. The belief is that importers may reduce profit margins to retain market share rather than raise prices fully to reflect the movement in the exchange rate.

The inflation rate in the UK remains slightly above the international average of 10.2 per cent and higher than the rates *in key competitor countries like* West Germany, Japan and the U.S.

The rise in the retail prices index last month was small because a 2.7 pe rcent fall in the price of seasonal foods, such as vegetables and lamb, partially offset increases in the price of alcoholic drink, petrol, oil and motor vehicles.

A further fall in seasonal food prices is expected this month but petrol prices have risen by a further 10p a gallon, *though not all of this may be* passed on to consumers.

The Government's tax and prices index, which measures direct tax changes as well as rises in retail prices, rose by 14.3 per cent in the year to July.

This shows the rise in pre-tax earnings needed by the average taxpayer to maintain the real value of take-home pay and the recent trend implies that living standards are now being squeezed.

Editorial comment, Page 12

PRICE INCREASES

	% change in last 6 months	% change in last 12 months
Food	+ 4.8	+ 7.6
Housing	+13.2	+16.5
Clothing and footwear	− 0.3	− 0.3
Durable household goods	+ 2.5	+ 4.6
Nationalised industries	+ 7.5	+19.6
Retail prices index	+ 7.1	+10.9
OECD*	+ 5.3	+10.2
Tax and price index	+ 9.8	+14.3

* Average increase to June for 24 *countries in the Organisation for* Economic Co-operation and Development.

Kearton stands down from BPC with 'future of group assured'

BY RAY MAUGHAN AND LISA WOOD

LORD KEARTON, who supervised the drawing-up of plans for the "survival and prosperity" of BPC, the loss-making print group, is to retire from the group's board at the end of this month.

Lord Kearton, *aged 70,* was appointed non-executive chairman of BPC in February. He said yesterday that he had told the board earlier this week that he had accepted the appointment to help BPC "through the *survival plan negotiations and* now felt the future of the company was assured and his function had been fulfilled."

A £10m plan for the survival of the group was drawn up by Lord Kearton and Mr Robert *Maxwell, the recently-appointed* chief executive of BPC who heads Pergamon Press. BPC directors yesterday elected Mr Maxwell as chairman from September 1.

The plan was accepted by all classes of shareholders, its clearing bankers and 12,000 employees in a long series of meetings in April. It included substantial redundancies and closures in the group.

Lord Kearton was first involved last October, at the request of BPC's publishing group managing director, Mr Monty Alfred, who had been with him at Courtaulds.

Lord Kearton, having reviewed the mounting losses within BPC last year, attempted unsuccessfully to gain support from the Department of Trade and the Bank of England, and brought in Mr Maxwell.

Earlier this week, BPC *announced an interim loss of* £8.12m for 1981 but Lord Kearton was adamant yesterday: "It's quite obvious that the thing's going to work."

He added: "My job is over now. I was brought in to see the transition through and it has been made. It was only ever a short-term assignment."

Lord Kearton is a former chairman of the British National Oil Corporation and Courtaulds and remains a director of the merchant bank, Hill Samuel.

He said he is confident that BPC would start breaking even this year and make "handsome" profits in 1981. The group has negotiated or re*affirmed important printing* contracts since the plan came into effect in April.

Lord Kearton supported Mr Maxwell's appointment of chairman as well as chief executive. "After all, it's his £14m he has *put into BPC in return for his* 77 per cent holding," he said.

BPC is about to recruit a deputy chief executive from a short-list of two or three, however.

De Lorean ahead on jobs target

BY JOHN GRIFFITHS

EMPLOYMENT at De Lorean's sports car plant in Belfast climbed above the 2,000 level this week, more than three years ahead of the target set under the company's agreement with the UK Government.

The agreement, which has led to nearly £80m of state funds being injected into the project, required De Lorean to employ at least 1,000 one year after the start of production, 1,500 after two years and 2,000 after five years. The first cars started *emerging from the plant* towards the end of last year.

The company said yesterday it is still recruiting and expects to take on another 200-300 within the next few months as output climbs to the planned level of 80 cars a day, or 20,000 a year. At present, 50-60 cars a day are being built and a double shift has just been introduced.

The stainless steel-bodied two-seater went on sale in the U.S., its only market, just under three months ago. The 350 dealers expressed pre-launch fears that the official price of $25,000 (£13,440) might be too high. But since then cars have been changing hands at premiums of up to $10,000.

The jobs target is not just a statement of intent. If employment falls below the target levels, Northern Ireland's Department of Commerce can demand immediate repayment of its £24m loan to the project.

In addition, if the plant fails to employ 1,600 workers in any year between 1986 and 1991 the department can cut its construction grant of £6.7m by one-fifth. A £12m plant and equipment grant can be cut by a similar amount if less than 1,600 are employed between 1986 and 1988.

De Lorean intends to launch the car in the UK and some other European markets early next year. Next month it plans to raise about $28m (£15m) by floating shares in a new holding company, mainly to develop a saloon to be launched in 1983-1984.

The saloon is regarded as essential to the company's future, taking it beyond the limited sports car market.

Mr John De Lorean, the company's chairman, says he can envisage the day when Belfast is building more than 100,000 cars a year and employing up to 9,000.

Continued from Page 1

Saudi oil price decision

agreement which was evidently near.

However, it was clear that Venezuela, Iran, Libya and Algeria were the main dissenters. On Thursday $35 had seemed a more likely point of compromise but Sheikh Yamani did not receive authorisation from King Khaled to go that high.

One reason for the failure to *reunify at $34 is believed to* have been disagreement over the correct level of differentials for the light, sulphur free and short haul crudes of the African producers. Algeria insisted that the top price should be no less *than $4 above the reference and* as much as $4.50, while Nigeria was in favour of limiting the maximum to $2.50.

Venezuela presented a particular problem. Sr Humberto Calderon Berti, Minister of *Mines and Hydro*carbons, felt he was unable for domestic political reasons to agree to come down to $34, not least because his country's exports have not been affected by the general oil glut. He was out on a limb, having publicly stated at the outset of the talks on Wednesday that his Government could not contemplate a reduction.

Sheikh Yamani was sceptical about Venezuelan claims to be selling on the basis of $36, *saying:* "I was *surprised* because according to our calculations their reference is $35."

Iran, meanwhile, would not even agree to $35. In practice the likelihood is that it will offer discounts to increase its sales. *Mr Delkacem Nabi,* Algerian Minister of Oil, and Mr Abdesalam Zagaar, his Libyan counterpart, expressed the determination of their governments not to lower their prices at all. Mr Zagaar said *Libya would be prepared to cut* production to "zero" if necessary.

Continued from Page 1

Laker

train. Sir Freddie said the increase in walk-on fares, from £79 to £90, was also designed to improve revenues for the airline.

Another move which could counteract a possible £6m loss this year on the repayment of dollar loans was Laker's decision to sell two Boeing 707s and four BAC "one-elevens" which Sir Freddie said were no longer *required. The sale of the four* one-elevens could net $10m (£5.5m) and the sale of the two 707s a further $2m to $3m, according to Sir Freddie.

Sir Freddie asked his bankers to reschedule for six months his *debt—which now stands at* $300m (around £160m)—because Laker Airways had budgeted for this year's repayment of $93m in capital and interest at an exchange rate of $2.25 to £1. But at a rate of $1.80, for *example, Sir Freddie estimated* he would have to spend an extra £6m on repayments.

Bonn fears growth may halt this year

By Stewart Fleming in Frankfurt

WEST GERMAN growth is likely to peter out in the second half of this year and high unemployment will continue into the mid-1980s. Herr Otto Schlecht, state secretary in the West German Economics Ministry, warned yesterday.

The Government's hopes that an *economic upturn* would begin in the second half are now dimming and with them any hopes of improvement in the trend of unemployment.

Herr Schlecht agreed with recent forecasts that for the first time since World War II, West Germany could be facing a protracted period of high unemployment with the total of jobless reaching 2m by 1985.

The only optimistic note sounded by Herr Schlect was over the current account which he believes, on the basis of first-half balance of payments figures, will improve over the rest of the year. This forecast is somewhat more hopeful than that of the Economics Ministry whose latest figures suggested no improvement in the current account deficit this year over last year's DM 29.8bn (£6.5bn) deficit.

However, the IFO economics institute in Munich believes the deficit could fall to DM 25bn this year and to between DM 10bn and DM 15bn in 1982.

Both the weak economy and structural factors such as the growth of the labour force have led to expectations of further sharp rises in unemployment which in July jumped from 4.8 per cent of the workforce to 5.3 per cent or 1.2m people.

***August's* unemployment figures are expected to show a further increase to 1.3m and earlier predictions of an annual average of 1.2m this year is being revised.**

The domestic economy, burdened by high *interest rates,* is expected to remain weak and this is threatening to upset the assumptions on which the Bonn Government has built its budget projections. But Herr Schlecht hinted at anxiety in Bonn about any action — such as budget cutting—which may weaken demand further.

Much will depend on a strong export performance to give some impetus for real growth. However, it is recognised that the particularly strong surge in export demand experienced in the first quarter has not continued.

European Economic Forecast, Page 2

Weather

UK TODAY

MOSTLY dry with sunny spells.

London, S., N. and E. England, Midlands.
Bright or sunny. Max. 19C (66F).

S.W. England, Wales.
Drizzle on coasts. Max. 18C (64F).

N.W. England, Borders, most of Scotland.
Bright start, drizzle later. Max. 18C (64F).

S.W. and N.W. Scotland, Argyle, N. Ireland.
Rain, clearing later. Max. 17C (63F).

N.E. Scotland.
Showers, heavier later. Max. 14C (57F).

Outlook: Mostly dry and warm, changeable in North.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	25	77	L. Ang.†	F	19	66
Algiers	S	28	82	Luxmbg.	C	14	57
Amsdm.	C	17	63	Luxor	S	38	100
Athens	S	29	88	Madrid	S	28	82
Bahrain	S	37	99	Majorca	F	30	86
Barclna.	F	26	79	Malaga	F	29	84
Beirut	S	30	86	Malta	S	29	84
Belfast	C	16	61	M'chstr.	R	13	55
Belgrd.	S	30	86	Melbne.	R	11	52
Berlin	C	15	59	Mx. C.		—	—
Biarritz	C	22	72	Miami†	C	25	77
Bmghm.	C	17	63	Milan	F	24	75
Blackpl.	R	15	59	Montrl.†	S	19	66
Bordx.	F	22	72	Moscow	F	24	75
Boulgn.	F	17	63	Munich	C	16	61
Bristol	C	15	59	Nairobi		—	—
Brussels	C	16	61	Naples	F	26	79
Budpst.	C	23	73	Nassau		—	—
Cairo	S	31	88	Nwcstl	F	17	63
Cardiff	R	14	57	N York†	S	19	66
Cas'b'ca	F	24	75	Nice	S	26	79
Cape T.	S	21	70	Nicosia		—	—
Chicg.†	F	14	57	Oporto	S	26	79
Cologne	R	16	61	Oslo	F	18	64
Cpnhgn.	C	16	61	Paris	C	19	66
Corfu	F	28	82	Perth	C	17	63
Denver†	F	19	66	Prague	F	18	64
Dublin	C	18	64	Reykjvk.	S	9	48
Dbrvnk.	F	25	77	Rhodes	S	27	81
Ednbgh.	F	18	64	Rio J'o†		—	—
Faro	S	24	75	Rome	F	28	82
Florence	F	24	75	Salzbrg.	C	15	59
Frankft.	C	17	63	S F'cisc†	C	13	55
Funchal	C	22	72	Singapr.		—	—
Geneva	C	18	64	S'tiago		—	—
Gibraltar	F	24	75	Stckhm.	R	14	57
Glasgow	F	16	61	Strasbg.	F	18	64
G'rnsey	F	17	63	Sydney	F	17	63
Helsinki	R	15	59	Tangier	C	23	73
H. Kong	F	32	90	Tel Aviv	S	29	84
Innsbrk.	C	15	59	Tenerife	S	28	82
Invrnss.	F	17	63	Tokyo	F	27	81
I o Man	C	16	61	T'ronto†	S	14	57
Istanbul	S	29	84	Tunis	S	33	91
Jersey	S	17	63	Valencia	S	27	84
Jo'burg	C	10	52	Venice	F	21	70
L. Plms.	F	24	75	Vienna	R	16	61
Lisbon	S	25	77	Warsaw	C	17	63
Locarno	F	28	82	Zurich	C	15	59
London	F	18	64				

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

How Grand Met is going to pay

To judge by the reaction of frustrated rival bidders, Grand Metropolitan has pulled off a coup in buying the Intercontinental Hotels Corporation from Pan American. It looks like a high quality asset with a sound management, which should prove capable of producing an attractive total return over the medium term.

But it is not a bargain. At current interest rates, the acquisition is unlikely to pay its way for at least a couple of years. And although Grand Metropolitan will certainly be able to live with its more highly geared financial ratios, it would prefer to have the flexibility of a more conservative balance sheet. A rights issue is not planned at present, but the timing of the next Grand Metropolitan issue is going to be a subject for speculation from now on.

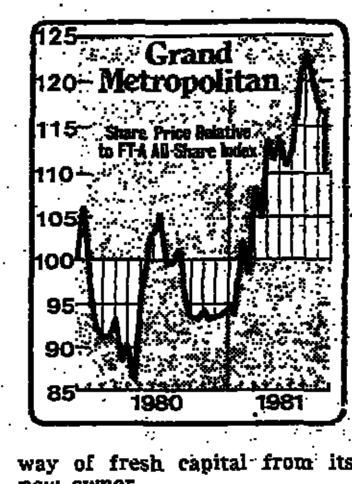
In very rough terms, the numbers may work out like this. Intercontinental will add something like £275m to the UK group's debt, after including its own net borrowings as well as the cost of the purchase. Grand Metropolitan's sterling debt has already been increased by the strength of the dollar, and after the deal could rise towards £900m. About two-thirds of this total will be variable rate finance.

On the asset side, net worth has also been increased by the rise in the dollar as well as by this year's retentions. But the cost of Intercontinental could include over £150m for goodwill, even after allowing for the planned revaluations. That would leave the group's tangible net worth somewhere around £1.2bn, implying a gearing ratio of over 70 per cent. These figures incorporate a big asset revaluation by the UK group last year.

On the income side, financing costs could exceed Intercontin*ental's pre-tax* profits by over £10m in year one. Assuming Grand Metropolitan's pre-tax profits in the year ending next month are around £175m, its interest cover could fall to something like 2½ times.

There is *clear scope for* improving the acquisition's profits. For instance, the Barclay Hotel in New York, which is wholly owned, was under reconstruction last year and did not make a profit. With 770 rooms worth on one estimate $100,000 a time, this represents a very big lump of unexploited capital. High class properties are never likely to produce a very large trading return on capital, but equally it seems unlikely that Intercontinental is going to require much in the way of fresh capital from its new owner.

Index rose 0.8 to 561.5



The UK group's capital spending is now pushing up towards £200m a year, and there is scope for fine tuning here to help bring down the debt level. And the group is still talking about the possibility of divestments both in the UK and the U.S. But it is not going to want to starve its existing businesses of new capital, and it is not the kind of group that will be happy at the prospect of having to ignore further expansion opportunities for balance sheet reasons. The temptation will be to exploit a market capitalisation of around £1bn, which would easily accommodate a *rights issue of a size to knock* the balance sheet back into shape.

The comfort for shareholders is that over the long term (although not always the short) Grand Metropolitan's acquisition strategy has worked out in their best interests. And the shares should not be that vulnerable to market speculation with a prospective yield of 5 per cent or so.

Drop-locks

How are British companies to raise long-term finance when gilt-edged yield 15½ per cent? Two London broking firms, James Capel and W. Greenwell, think some form of drop-lock finance involving floating rate instruments which turn into conventional bonds when interest rates fall to a certain level, may provide the answer. But they are going about the problem in different ways, and trying out their solutions on local authority borrowers.

Earlier this week Greenwell launched a £75m bond for the City of Birmingham at ¾ point over money rates, which turns into a 7-year 13¼ per cent bond if gilt-edged yields get down below 12¼ per cent in the next five years. The trouble about the formula is that Birmingham wants fixed-rate debt but is clearly unwilling to borrow on present long-term interest rates that should make lenders keen to buy gilt-edged rather than *Birmingham's bond.*

That is not to deny the defensive attractions of a floating rate instrument—but the investor who wants the drop lock when it *is* floating is unlikely to be naturally interested in fixed rate paper.

At any rate, the Birmingham issue went poorly. Most of it has stuck with the underwriters, and it was quoted yesterday at a 1¼ point discount to par, not the ideal opening for a bond which *was supposed to enjoy* "capital certainty."

James Capel's smaller local authority financings have recognised that the two halves of the drop-lock attract different types of lender. Its issues start life *as syndicated bank loans,* underwritten by institutions at the point when—through automatic trigger or the exercise of an option—they become fixed. The trigger point is typically much lower than in the case of *Birmingham—10 per cent or so* —but the life of the issues is very much longer.

These issues are only going to become bonds and be placed with the non-bank private sector, rather than ranking as *bank debt, if rates fall* a long way. But Capel has also arranged more than £100m of standby credit—none yet drawn down—enabling companies to issue underwritten fixed rate paper at any time at a pre*determined margin over gilt*-edged. In some cases a drop-lock package, beginning with a syndicated bank loan, has been put together in case the companies want the money before they like the interest rates.

This sort of standby facility is a very comfortable thing for a finance director to have in his locker. As for the Greenwell formula, most companies can at present borrow on a lower margin over money rates from their banks than they could on a floating rate bond issue, but as credit demand rises this may cease to be the case. The conclusion that both firms are working towards is that companies wanting to eventually to arrange long-term fixed-interest finance cannot simply wait for interest rates to come down. They may not come down for years, and when they do a lot of prospective borrowers will get trampled in the rush.

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